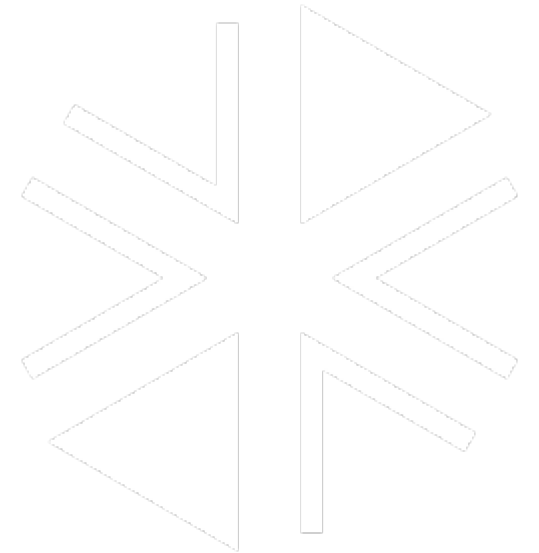




Cascade Care Workgroup

July 11, 2023



Cascade Care Workgroup - Agenda

Time	Topic	Facilitator
1:00	Welcome and Introductions	Laura Kate Zaichkin, HBE Senior Policy Advisor (she/her)
1:05	2025 Cascade Care Plans & Value-based Insurance Design Options	Kristin Villas, HBE Senior Policy Analyst (she/her) Kristy Piccinini, Acumen, LLC
2:05	2024 Initial Rates Preview	Kristin Villas
2:25	Next Steps & Adjourn	Laura Kate Zaichkin

Cascade Care

Aims to increase access to high-quality, affordable health coverage on a healthy individual market.

- **Address costs** through lower premiums, lower deductibles, and access to services before having to pay the deductible. This includes leveraging federal and state-based financial assistance, state purchasing power, and provider reimbursement expectations.
- **Encourage meaningful consumer choice** with products of better value and like benefits across all participating carriers.
- **Grow enrollment** by attracting new enrollees and retaining current customers.
- **Ensure continued market health** through stable carrier participation, competitive product offerings, and a larger and more diverse risk pool.



2025 Cascade Care Plan Design

Intentional Integration of Value-based Insurance Design
in PY2025



Today's Discussion

Continuing to integrate value-based benefit design into Cascade Care plans.

- This spring, we continued our discussion from 2022 about value-based insurance design in Cascade Care plans.
 - Cascade Care plan design background & current approach to VBID.
 - Guiding principles for integration of VBID in plan year 2025.
 - Goals and options for increasing access to high-value care and reducing access to potentially low clinical value services, including examples from WA and other marketplaces.
- Today, we will discuss potential benefit designs incorporating VBID in 2025 plan design through reduced cost-sharing on high-value drugs.

Cascade Care Plan Design Background

WAHBE Standard Plan Program

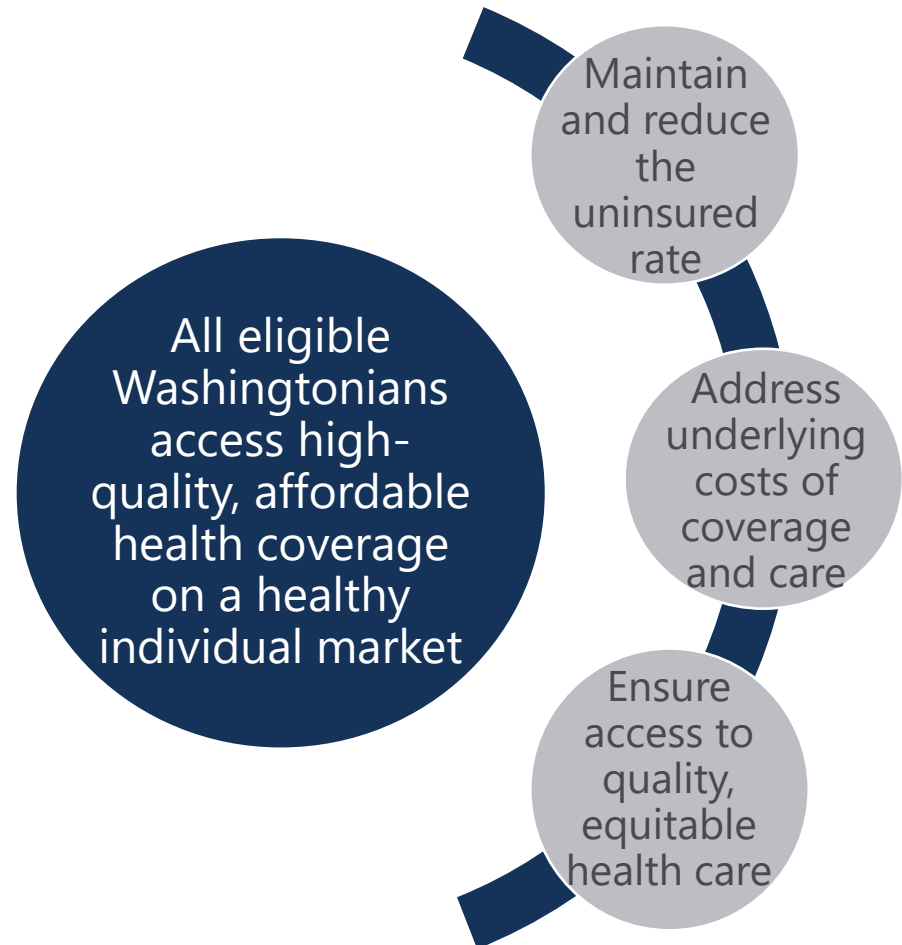
- Have designed four years of standard plans thus far.
 - Essential, high value services at co-pay before deductible in all metal levels (primary care, mental/behavioral health, urgent care, generic Rx)
 - Minimal changes to plan design from 2021-2023
- Opportunity to look at standard plan design with longer-term goals in mind.

Standard Plan Guiding Principles

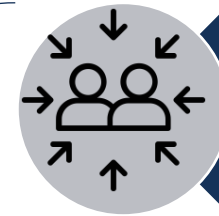
- Lower deductibles and access to services before the deductible.
- Prioritize copays where possible to provide predictability for consumers when seeking services.
- Limit premium impacts.
- Maximize tax credits with silver plan design.

Cascade Care Mid-Range Vision

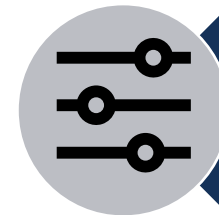
2-5 Year Vision & Strategies



Core Action Opportunities



Maximize ability to strengthen Exchange participation requirements (Guidance for Participation)



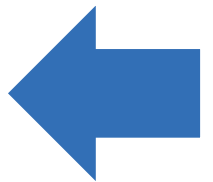
Move in a direction to require that plans offered are meaningfully different to minimize choice overload



Cascade Care plans have higher requirements to deliver affordability, quality, value, and equity



Maximize opportunities to address underlying costs through Cascade Select (public option)



Why Value-based Insurance Design?

Change the health care cost discussion from “how much” to “how well”

VBID is the alternative to “blunt” consumer cost sharing.

- Sets consumer cost sharing on clinical benefit—not price.
- Little or no out-of-pocket cost for high-value care; higher cost share for services with low clinical value.
 - Example: \$0 co-pay for accessing necessary primary care services.
- Successfully implemented by hundreds of public and private payers.
- Enhances equity.

DISPARITIES

By Niteesh K. Choudhry, Katsiaryna Bykov, William H. Shrank, Michele Toscano, Wayne S. Rawlins, Lonny Reisman, Troyen A. Brennan, and Jessica M. Franklin

Eliminating Medication Copayments Reduces Disparities In Cardiovascular Care

Source: A. Mark Fendrick, “V-BID X: Expanding Coverage of Essential Clinical Care and Enhancing Equity Without Increasing Premiums or Deductibles.” <https://vbidcenter.org/whbe-2022/>

Guiding Principles for VBID Features in Cascade Care Plans

- **Align with other state purchaser priorities**
 - Behavioral health care, advanced primary care, appropriate treatment for low back pain
 - Send aligned signals to providers and carriers
- **Address known health disparities to promote equity**
 - Using research sources such as Washington Health Alliance Community Checkup Area Deprivation Index (ADI)
- **Increase access to high clinical value services while reducing low clinical value/harmful care**
 - Out-of-pocket costs should not be reason consumer forgoes care that maintains or improves their health
 - Significant positive impact on BIPOC communities
- **Use available data to inform design choices**
 - Exchange Quality Program measure results, Alliance Health Care Waste Report
- **Design plans with consumers in mind**
 - Any plan changes consider how consumer needs differ by metal level
- **Preserve premium affordability**
 - Foundational principle for Cascade Care plan design
- **Advance VBID in Cascade Care plans incrementally and evaluate often**
 - Do not go backward, e.g., maintain \$1 primary care and behavioral health visits
 - Incremental progress guided by evaluation

Considerations for VBID in 2025 Cascade Care Plans

Direction of PY 2025 Plan Design Based on Feedback to Date

- Put equity at the forefront of plan design decisions
 - Consider disparities among BIPOC populations accessing insurance and health care.
 - Use consumer data and experience information to understand cost sharing and care access barriers.
- Consider broader health system complements and risks related to plan design
 - Examine referral patterns and what may or may not be within enrollee control.
 - Consider care setting.
 - To ensure maximum effect, carrier and provider engagement and education may be important.
- Design plans with customer in mind when balancing access to high-value services with low clinical value services
 - Interested in a service category approach vs. condition-specific design.
 - Consider opportunities to address priority health conditions within service categories.
 - High-value care priorities centering around disease management (e.g., diabetes), lower prescription drug co-pays, and access to mental health.
 - Leverage state initiatives to pilot in standard plan design, using WA specific data and expertise.

Reducing Copayments for Generic Drugs Used to Treat Chronic Conditions

Focus on these areas to align with Exchange priorities and prior workgroup feedback:

- **Equity:** Prioritize chronic conditions with known disparate impacts on BIPOC populations: diabetes, alcohol and substance use disorder, mental health disorders, cardiovascular conditions
 - **VBID:** Reducing prescription drug cost-sharing typically associated with improved adherence and outcomes
 - **Opportunity:** Compared to other states' standard plans, copays for generic drugs in WA standard plans are relatively high
- Consider impact on AV and required increases in other cost-sharing (e.g., deductibles) to offset, as well as impact on premium

Options for 2025 Plan Design

Two options for reduced copays for generic drugs in specific drug categories/classes

Option 1

- \$5 copay for drugs in the following categories/classes: anti-addiction, blood glucose regulators, and antidepressant/anxiolytics/antipsychotics/bipolar agents
 - An estimated 12.04% of enrollees use at least one of these drugs
 - Average cost per fill of drugs in these classes is \$21.70

Option 2

- \$5 copay for drugs in the following categories/classes: anti-addiction, blood glucose regulators, and antihypertensive agents
 - An estimated 16.77% of enrollees use at least one of these drugs
 - Average cost per fill of drugs in these classes is \$15.55

Impacts on Standard Gold Plan (1 of 2)

Trending forward to 2025:

- AV increases as medical/drug costs rise and more cost is above the MOOP

Option 0:

- MOOP is increased by \$900 to offset trend-induced rise in AV and stay in required AV range

Benefits	Gold				
	2024	2024, 2025 AV	Option 0	Option 1	Option 2
Deductible and Out-of-Pocket Maximum					
Medical/Pharmacy Integrated Deductible	Yes	Yes	Yes	Yes	Yes
Medical (or Integrated, if Applicable)/Pharmacy Deductibles (\$)	\$600	\$600	\$600	\$600	\$600
Medical/Pharmacy Integrated MOOP	Yes	Yes	Yes	Yes	Yes
Medical/Pharmacy Integrated MOOP (\$)	\$6,100	\$6,100	\$7,000	\$7,100	\$7,100
Office Visits					
Preventive Care/Screening/Immunization	\$0	\$0	\$0	\$0	\$0
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	\$15	\$15	\$15	\$15	\$15
Specialist Visit	\$40	\$40	\$40	\$40	\$40
Mental/Behavioral Health and Substance Use Disorder Outpatient Services-Office	\$15	\$15	\$15	\$15	\$15
Emergency/Urgent Care Services					
Emergency Care Services	\$450	\$450	\$450	\$450	\$450
Urgent Care	\$35	\$35	\$35	\$35	\$35
Ambulance	\$375	\$375	\$375	\$375	\$375
Outpatient Services					
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	\$350	\$350	\$350	\$350	\$350
Outpatient Surgery Physician/Surgical Services	\$75	\$75	\$75	\$75	\$75
Mental/Behavioral Health and Substance Use Disorder Outpatient Services - Other	\$15	\$15	\$15	\$15	\$15
Outpatient Diagnostic Tests					
Laboratory Outpatient and Professional Services	\$20	\$20	\$20	\$20	\$20
X-rays and Diagnostic Imaging	\$30	\$30	\$30	\$30	\$30
Advanced Imaging (CT/PET Scans, MRIs)	\$300	\$300	\$300	\$300	\$300
Inpatient Services					
All Inpatient Hospital Services (inc. MH/SUD, Maternity)	\$525*	\$525*	\$525*	\$525*	\$525*
Skilled Nursing Facility	\$350**	\$350**	\$350**	\$350**	\$350**
Pharmacy					
High-Value Generics				\$5	\$5
Generics	\$10	\$10	\$10	\$10	\$10
Preferred Brand Drugs	\$60	\$60	\$60	\$60	\$60
Non-Preferred Brand Drugs	\$100	\$100	\$100	\$100	\$100
Specialty Drugs (i.e. high-cost)	\$100	\$100	\$100	\$100	\$100
AV	81.89%	82.73%	81.87%	81.85%	81.88%

Shaded Items not Subject to Deductible

*Per day copay, maximum five per stay

** Per day copay

Speech/Occupational/Physical Therapy, DME, home health, hospice, and other omitted for space; no changes from 2024 design

Impacts on Standard Gold Plan (2 of 2)

Option 1:

- \$5 copay for drugs in the following categories/classes: anti-addiction, blood glucose regulators, and mental health
- MOOP has been increased to offset AV increase

Option 2:

- \$5 copay for drugs in the following categories/classes: anti-addiction, blood glucose regulators, and antihypertensive agents
- MOOP has been increased to offset AV increase
- Compared to Option 1, Option 2 produces slightly higher AV

Benefits	Gold				
	2024	2024, 2025 AV	Option 0	Option 1	Option 2
Deductible and Out-of-Pocket Maximum					
Medical/Pharmacy Integrated Deductible	Yes	Yes	Yes	Yes	Yes
Medical (or Integrated, if Applicable)/Pharmacy Deductibles (\$)	\$600	\$600	\$600	\$600	\$600
Medical/Pharmacy Integrated MOOP	Yes	Yes	Yes	Yes	Yes
Medical/Pharmacy Integrated MOOP (\$)	\$6,100	\$6,100	\$7,000	\$7,100	\$7,100
Office Visits					
Preventive Care/Screening/Immunization	\$0	\$0	\$0	\$0	\$0
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	\$15	\$15	\$15	\$15	\$15
Specialist Visit	\$40	\$40	\$40	\$40	\$40
Mental/Behavioral Health and Substance Use Disorder Outpatient Services-Office	\$15	\$15	\$15	\$15	\$15
Emergency/Urgent Care Services					
Emergency Care Services	\$450	\$450	\$450	\$450	\$450
Urgent Care	\$35	\$35	\$35	\$35	\$35
Ambulance	\$375	\$375	\$375	\$375	\$375
Outpatient Services					
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	\$350	\$350	\$350	\$350	\$350
Outpatient Surgery Physician/Surgical Services	\$75	\$75	\$75	\$75	\$75
Mental/Behavioral Health and Substance Use Disorder Outpatient Services - Other	\$15	\$15	\$15	\$15	\$15
Outpatient Diagnostic Tests					
Laboratory Outpatient and Professional Services	\$20	\$20	\$20	\$20	\$20
X-rays and Diagnostic Imaging	\$30	\$30	\$30	\$30	\$30
Advanced Imaging (CT/PET Scans, MRIs)	\$300	\$300	\$300	\$300	\$300
Inpatient Services					
All Inpatient Hospital Services (inc. MH/SUD, Maternity)	\$525*	\$525*	\$525*	\$525*	\$525*
Skilled Nursing Facility	\$350**	\$350**	\$350**	\$350**	\$350**
Pharmacy					
High-Value Generics				\$5	\$5
Generics	\$10	\$10	\$10	\$10	\$10
Preferred Brand Drugs	\$60	\$60	\$60	\$60	\$60
Non-Preferred Brand Drugs	\$100	\$100	\$100	\$100	\$100
Specialty Drugs (i.e. high-cost)	\$100	\$100	\$100	\$100	\$100
AV	81.89%	82.73%	81.87%	81.85%	81.88%

Shaded Items not Subject to Deductible

*Per day copay, maximum five per stay

** Per day copay

Speech/Occupational/Physical Therapy, DME, home health, hospice, and other omitted for space; no changes from 2024 design

Impacts on Standard Silver Plan (1 of 2)

Trending forward to 2025:

- AV increases as medical/drug costs rise and more cost is above the MOOP

Option 0:

- MOOP is increased by \$550 and deductible increased by \$1000 to offset trend-induced rise in AV and stay in required AV range

Benefits	Silver				
	2024	2024, 2025 AV	Option 0	Option 1	Option 2
Deductible and Out-of-Pocket Maximum					
Medical/Pharmacy Integrated Deductible	Yes	Yes	Yes	Yes	Yes
Medical (or Integrated, if Applicable)/Pharmacy Deductibles (\$)	\$2,500	\$2,500	\$3,500	\$4,000	\$4,300
Medical/Pharmacy Integrated MOOP	Yes	Yes	Yes	Yes	Yes
Medical/Pharmacy Integrated MOOP (\$)	\$9,200	\$9,200	\$9,750	\$9,750	\$9,750
Office Visits					
Preventive Care/Screening/Immunization	\$0	\$0	\$0	\$0	\$0
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	\$30***	\$30***	\$30***	\$30***	\$30***
Specialist Visit	\$65	\$65	\$65	\$65	\$65
Mental/Behavioral Health and Substance Use Disorder Outpatient Services-Office	\$30***	\$30***	\$30***	\$30***	\$30***
Emergency/Urgent Care Services					
Emergency Care Services	\$800	\$800	\$800	\$800	\$800
Urgent Care	\$65	\$65	\$65	\$65	\$65
Ambulance	\$375	\$375	\$375	\$375	\$375
Outpatient Services					
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	\$600	\$600	\$600	\$600	\$600
Outpatient Surgery Physician/Surgical Services	\$200	\$200	\$200	\$200	\$200
Mental/Behavioral Health and Substance Use Disorder Outpatient Services - Other	\$30	\$30	\$30	\$30	\$30
Outpatient Diagnostic Tests					
Laboratory Outpatient and Professional Services	\$40	\$40	\$40	\$40	\$40
X-rays and Diagnostic Imaging	\$65	\$65	\$65	\$65	\$65
Advanced Imaging (CT/PET Scans, MRIs)	30%	30%	30%	30%	30%
Inpatient Services					
All Inpatient Hospital Services (inc. MH/SUD, Maternity)	\$800*	\$800*	\$800*	\$800*	\$800*
Skilled Nursing Facility	\$800**	\$800**	\$800**	\$800**	\$800**
Pharmacy					
High-Value Generics				\$5	\$5
Generics	\$25	\$25	\$25	\$25	\$25
Preferred Brand Drugs	\$75	\$75	\$75	\$75	\$75
Non-Preferred Brand Drugs	\$250	\$250	\$250	\$250	\$250
Specialty Drugs (i.e. high-cost)	\$250	\$250	\$250	\$250	\$250
AV	71.79%	72.95%	71.91%	71.94%	71.94%

Shaded Items not Subject to Deductible

*Per day copay, maximum five per stay

** Per day copay

*** Eligible for two visits at \$1 copay, after which stated cost-sharing applies.

Speech/Occupational/Physical Therapy, DME, home health, hospice, and other omitted for space; no changes from 2024 design

Impacts on Standard Silver Plan (2 of 2)

Option 1:

- \$5 copay for drugs in the following categories/classes: anti-addiction, blood glucose regulators, and mental health
- Deductible has been increased by \$500 to offset AV increase

Option 2:

- \$5 copay for drugs in the following categories/classes: anti-addiction, blood glucose regulators, and antihypertensive agents
- Deductible has been increased by \$800 to offset AV increase

Shaded Items not Subject to Deductible

*Per day copay, maximum five per stay

** Per day copay

*** Eligible for two visits at \$1 copay, after which stated cost-sharing applies.

Speech/Occupational/Physical Therapy, DME, home health, hospice, and other omitted for space; no changes from 2024 design

Benefits	Silver				
	2024	2024, 2025 AV	Option 0	Option 1	Option 2
Deductible and Out-of-Pocket Maximum					
Medical/Pharmacy Integrated Deductible	Yes	Yes	Yes	Yes	Yes
Medical (or Integrated, if Applicable)/Pharmacy Deductibles (\$)	\$2,500	\$2,500	\$3,500	\$4,000	\$4,300
Medical/Pharmacy Integrated MOOP	Yes	Yes	Yes	Yes	Yes
Medical/Pharmacy Integrated MOOP (\$)	\$9,200	\$9,200	\$9,750	\$9,750	\$9,750
Office Visits					
Preventive Care/Screening/Immunization	\$0	\$0	\$0	\$0	\$0
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	\$30***	\$30***	\$30***	\$30***	\$30***
Specialist Visit	\$65	\$65	\$65	\$65	\$65
Mental/Behavioral Health and Substance Use Disorder Outpatient Services-Office	\$30***	\$30***	\$30***	\$30***	\$30***
Emergency/Urgent Care Services					
Emergency Care Services	\$800	\$800	\$800	\$800	\$800
Urgent Care	\$65	\$65	\$65	\$65	\$65
Ambulance	\$375	\$375	\$375	\$375	\$375
Outpatient Services					
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	\$600	\$600	\$600	\$600	\$600
Outpatient Surgery Physician/Surgical Services	\$200	\$200	\$200	\$200	\$200
Mental/Behavioral Health and Substance Use Disorder Outpatient Services - Other	\$30	\$30	\$30	\$30	\$30
Outpatient Diagnostic Tests					
Laboratory Outpatient and Professional Services	\$40	\$40	\$40	\$40	\$40
X-rays and Diagnostic Imaging	\$65	\$65	\$65	\$65	\$65
Advanced Imaging (CT/PET Scans, MRIs)	30%	30%	30%	30%	30%
Inpatient Services					
All Inpatient Hospital Services (inc. MH/SUD, Maternity)	\$800*	\$800*	\$800*	\$800*	\$800*
Skilled Nursing Facility	\$800**	\$800**	\$800**	\$800**	\$800**
Pharmacy					
High-Value Generics				\$5	\$5
Generics	\$25	\$25	\$25	\$25	\$25
Preferred Brand Drugs	\$75	\$75	\$75	\$75	\$75
Non-Preferred Brand Drugs	\$250	\$250	\$250	\$250	\$250
Specialty Drugs (i.e. high-cost)	\$250	\$250	\$250	\$250	\$250
AV	71.79%	72.95%	71.91%	71.94%	71.94%

Impacts on Standard Bronze Plan (1 of 2)

Trending forward to 2025:

- AV increases as medical/drug costs rise and more cost is above the MOOP

Option 0:

- MOOP is increased by \$550 to offset trend-induced rise in AV and stay in required AV range

Benefits	Bronze				
	2024	2024, 2025 AV	Option 0	Option 1	Option 2
Deductible and Out-of-Pocket Maximum					
Medical/Pharmacy Integrated Deductible	Yes	Yes	Yes	Yes	Yes
Medical (or Integrated, if Applicable)/Pharmacy Deductibles (\$)	\$6,000	\$6,000	\$6,000	\$6,500	\$6,800
Medical/Pharmacy Integrated MOOP	Yes	Yes	Yes	Yes	Yes
Medical/Pharmacy Integrated MOOP (\$)	\$9,200	\$9,200	\$9,750	\$9,750	\$9,750
Office Visits					
Preventive Care/Screening/Immunization	\$0	\$0	\$0	\$0	\$0
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	\$50***	\$50***	\$50***	\$50***	\$50***
Specialist Visit	\$100	\$100	\$100	\$100	\$100
Mental/Behavioral Health and Substance Use Disorder Outpatient Services-Office	\$50***	\$50***	\$50***	\$50***	\$50***
Emergency/Urgent Care Services					
Emergency Care Services	40%	40%	40%	40%	40%
Urgent Care	\$100	\$100	\$100	\$100	\$100
Ambulance	40%	40%	40%	40%	40%
Outpatient Services					
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	40%	40%	40%	40%	40%
Outpatient Surgery Physician/Surgical Services	40%	40%	40%	40%	40%
Mental/Behavioral Health and Substance Use Disorder Outpatient Services - Other	40%	40%	40%	40%	40%
Outpatient Diagnostic Tests					
Laboratory Outpatient and Professional Services	40%	40%	40%	40%	40%
X-rays and Diagnostic Imaging	40%	40%	40%	40%	40%
Advanced Imaging (CT/PET Scans, MRIs)	40%	40%	40%	40%	40%
Inpatient Services					
All Inpatient Hospital Services (inc. MH/SUD, Maternity)	40%	40%	40%	40%	40%
Skilled Nursing Facility	40%	40%	40%	40%	40%
Pharmacy					
High-Value Generics				\$5	\$5
Generics	\$32	\$32	\$32	\$32	\$32
Preferred Brand Drugs	40%	40%	40%	40%	40%
Non-Preferred Brand Drugs	40%	40%	40%	40%	40%
Specialty Drugs (i.e. high-cost)	40%	40%	40%	40%	40%
AV	64.55%	65.52%	64.83%	64.88%	64.90%

Shaded Items not Subject to Deductible

*** Eligible for two visits at \$1 copay, after which stated cost-sharing applies.

Speech/Occupational/Physical Therapy, DME, home health, hospice, and other omitted for space; no changes from 2024 design

Impacts on Standard Bronze Plan (2 of 2)

Option 1:

- \$5 copay for drugs in the following categories/classes: anti-addiction, blood glucose regulators, and mental health
- Deductible has been increased by \$500 to offset AV increase
- Higher copay (e.g., \$10) would require smaller increase in AV (e.g., \$400)

Option 2:

- \$5 copay for drugs in the following categories/classes: anti-addiction, blood glucose regulators, and antihypertensive agents
- Deductible has been increased by \$800 to offset AV increase

Benefits	Bronze				
	2024	2024, 2025 AV	Option 0	Option 1	Option 2
Deductible and Out-of-Pocket Maximum					
Medical/Pharmacy Integrated Deductible	Yes	Yes	Yes	Yes	Yes
Medical (or Integrated, if Applicable)/Pharmacy Deductibles (\$)	\$6,000	\$6,000	\$6,000	\$6,500	\$6,800
Medical/Pharmacy Integrated MOOP	Yes	Yes	Yes	Yes	Yes
Medical/Pharmacy Integrated MOOP (\$)	\$9,200	\$9,200	\$9,750	\$9,750	\$9,750
Office Visits					
Preventive Care/Screening/Immunization	\$0	\$0	\$0	\$0	\$0
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	\$50***	\$50***	\$50***	\$50***	\$50***
Specialist Visit	\$100	\$100	\$100	\$100	\$100
Mental/Behavioral Health and Substance Use Disorder Outpatient Services-Office	\$50***	\$50***	\$50***	\$50***	\$50***
Emergency/Urgent Care Services					
Emergency Care Services	40%	40%	40%	40%	40%
Urgent Care	\$100	\$100	\$100	\$100	\$100
Ambulance	40%	40%	40%	40%	40%
Outpatient Services					
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	40%	40%	40%	40%	40%
Outpatient Surgery Physician/Surgical Services	40%	40%	40%	40%	40%
Mental/Behavioral Health and Substance Use Disorder Outpatient Services - Other	40%	40%	40%	40%	40%
Outpatient Diagnostic Tests					
Laboratory Outpatient and Professional Services	40%	40%	40%	40%	40%
X-rays and Diagnostic Imaging	40%	40%	40%	40%	40%
Advanced Imaging (CT/PET Scans, MRIs)	40%	40%	40%	40%	40%
Inpatient Services					
All Inpatient Hospital Services (inc. MH/SUD, Maternity)	40%	40%	40%	40%	40%
Skilled Nursing Facility	40%	40%	40%	40%	40%
Pharmacy					
High-Value Generics				\$5	\$5
Generics	\$32	\$32	\$32	\$32	\$32
Preferred Brand Drugs	40%	40%	40%	40%	40%
Non-Preferred Brand Drugs	40%	40%	40%	40%	40%
Specialty Drugs (i.e. high-cost)	40%	40%	40%	40%	40%
AV	64.55%	65.52%	64.83%	64.88%	64.90%

Shaded Items not Subject to Deductible

*** Eligible for two visits at \$1 copay, after which stated cost-sharing applies.

Speech/Occupational/Physical Therapy, DME, home health, hospice, and other omitted for space; no changes from 2024 design

Factors to Consider

- Option 1 continues to prioritize mental health/substance use disorder treatment
 - Are there additional drug classes and/or conditions to consider to improve coverage in this area?
 - Would additional low-cost mental health visits provide more or less value to enrollees relative to expanded prescription drug coverage?
 - Is this the highest priority area for reducing cost-sharing?
- Option 2 provides limited expansion of prescription drug coverage for substance use disorder and reduces cost-sharing for a subset of drugs treating cardiovascular disease
 - Are there additional and/or different drug classes to consider?
 - Given the average cost of these generics, do the lower copays provide substantial additional coverage?
- Do high “list” generic copays have a chilling effect on utilization of inexpensive drugs?

Cascade Care Plan Design Next Steps

2025 Standard Plan Design Process:

- Summer/fall 2023: Plan design modeling reviews
 - Incorporate feedback into next round of plan designs for August workgroup
 - Model AV impact of limiting select types of low-value care
 - Additional investigation of facility fees associated with low-cost office visits
- Late fall 2023: Public comment period on proposed 2025 Cascade Care plans
- December 2023: Exchange Board approval of 2025 Cascade Care plans
- 2023: Development of VBID roadmap for Cascade Care plans PY2026-2027

2024 Initial Rates Analysis Preview

Potential Customer Affordability Impact



All data in this presentation are preliminary data

Today's presentation will be a first look at plan filings for plan year 2024 using plan filing data from Office of the Insurance Commissioner. All data are preliminary data and data are subject to change during the OIC's review of individual market filings. Plan availability and rate changes are pending HCA's selection of public option plan expansion and will not be final until plan certification.



Initial Rates Toplines

- Significant rate increases.
 - 9% Exchange-wide rate increase.
 - Both the highest rates and rate increases are in Cascade Standard plans, where majority of Exchange customers are enrolled.
- Public option rates are increasing, but not as much as other plan types.
- Public option proposed in more counties and is the lowest-cost silver plan in most counties.
- Stable market, and consumers still face choice overload.

2024 Exchange Premiums Proposed to Increase by 9%

- Proposed premium increases vary widely.
- Average Exchange consumer would pay ~\$40/month more or \$480 a year more for coverage.
- 23% (~48,000) of consumers do not receive federal or state subsidies.
- WA State Cost Growth Benchmark for 2024 is 3%.

Average rate changes are weighted for Exchange enrollment

Carrier	Proposed Average Rate Change	Exchange Enrollment as of 5/2023
Kaiser Foundation Health Plan of Washington	18%	36,000
Premera Blue Cross	16%	13,000
BridgeSpan Health Company	15%	1,000
Kaiser Foundation Health Plan of the Northwest	9%	5,000
LifeWise Health Plan of Washington	8%	25,000
Molina Healthcare of Washington	7%	40,000
PacificSource Health Plans	7%	3,000
Regence BlueCross BlueShield of Oregon	6%	4,000
Coordinated Care Corporation	5%	58,000
Regence BlueShield WA	4%	17,000
Community Health Plan of Washington	3%	7,000
UnitedHealthcare of Oregon, Inc.	3%	4,000

Proposed Plan Level Rate Increase by Impacted Population

Plan Rate Change	Enrollment	Percent Enrollment
Increase: > 15%	40,613	19.3%
Increase: 10% - 15%	19,853	9.4%
Increase: 5% - 10%	86,549	41.1%
Increase: 1% - 5%	60,614	28.7%
Stable	3,205	1.5%
Decrease: 1% - 5%	0	0%
Decrease: 5% - 10%	0	0%
Decrease: > 10%	0	0%

- No plan is decreasing rates
- Majority of customers (70%) will have a plan level rate increase over 5%*

*Not inclusive of terminated plans (~3,500 customers)

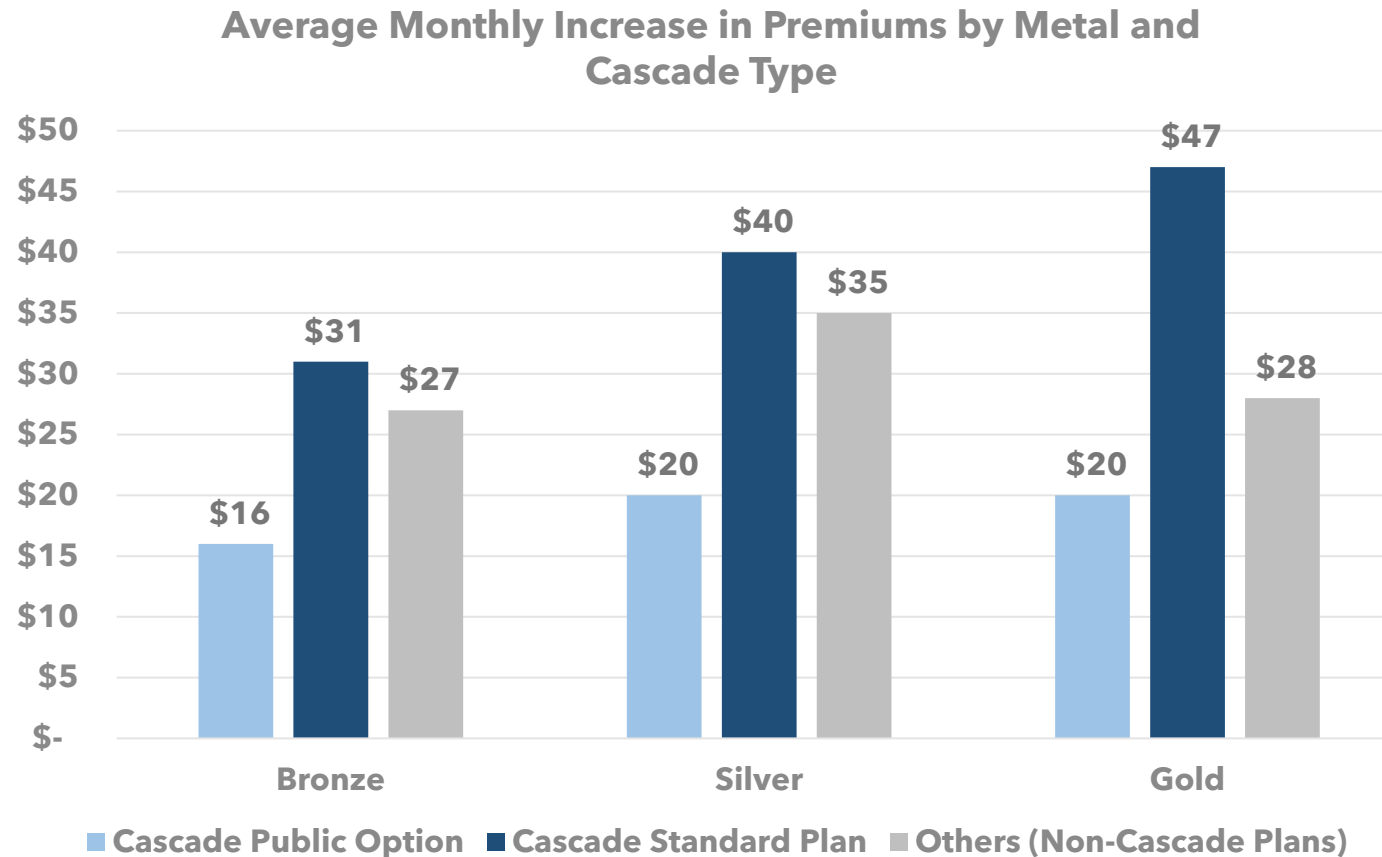
Most Popular Exchange Plans Proposing Variable Increases

Top Exchange Plans by 2023 Enrollment

- One-third of Exchange customers are enrolled in seven plans.
- Proposed rate changes for these plans range from 2.1% to 11.4%.
- Popular Cascade Care plans have some of highest plan-level rate increases.

Issuer	Plan	Proposed Rate Change % (vs 2023)	Enrollment (as of 05/2023)
Coordinated Care	Cascade Silver	4.4%	12,200
Molina	Cascade Bronze	5.3%	11,500
Molina	Silver Non-Cascade	2.1%	10,600
Coordinated Care	Silver Non-Cascade	5.4%	10,100
Molina	Gold Cascade	11.4%	9,900
Coordinated Care	Silver Cascade Select	9.6%	8,400
Molina	Silver Cascade	8.1%	8,200

Significant Monthly Rate Increases for all Plan Types and Metal Levels

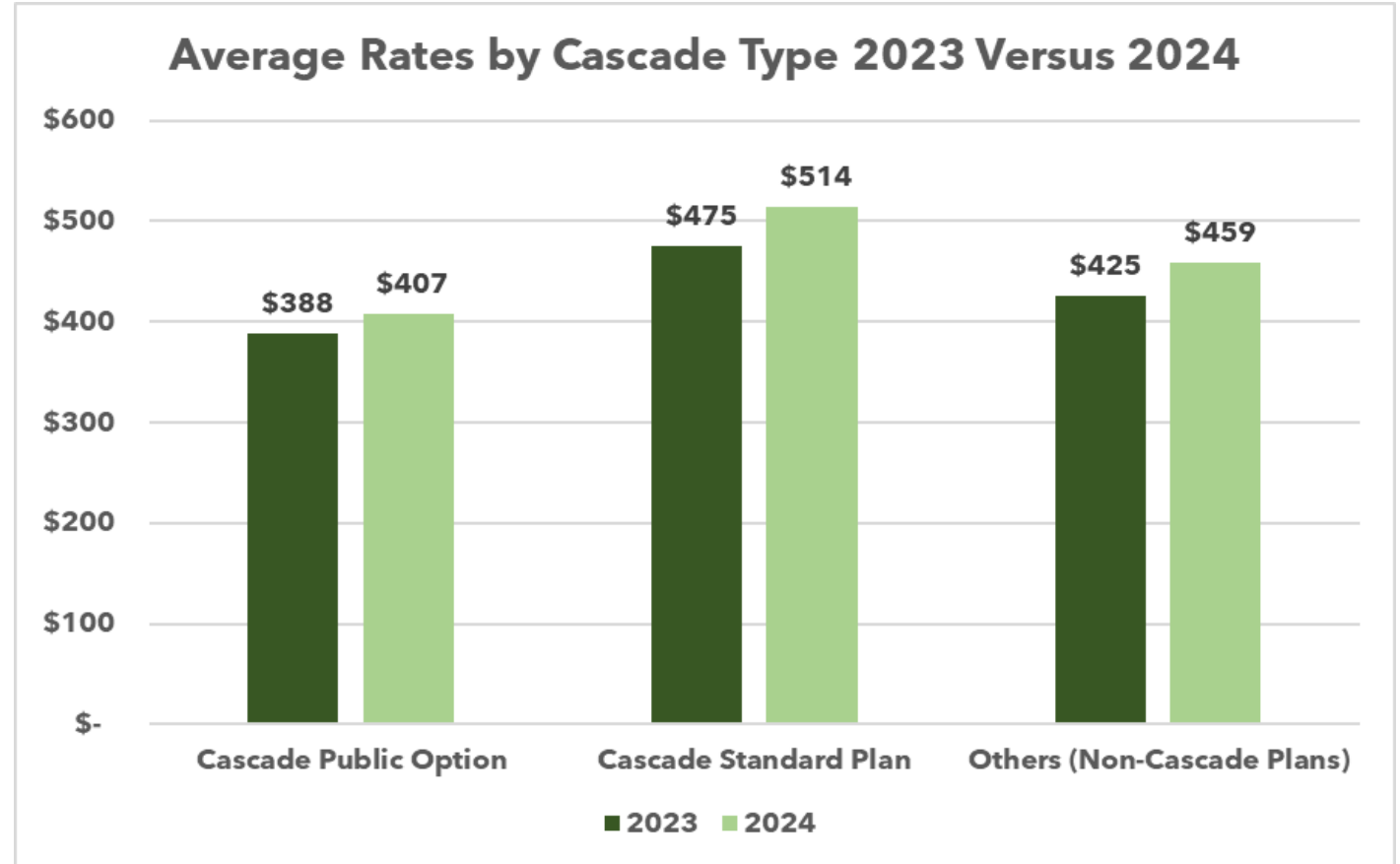


Annual Average Silver Premium Increase:

Public Option: \$240
Standard: \$480
Non-Cascade: \$420

Proposed Public Option Plan Rates are Smaller; Standard Plan Rate Increases the Greatest

Cascade Type	Average Rate % Increase 2023-2024	Enrollment as of 5/2023
Cascade Public Option	5%	29,000
Cascade Standard Plan	8%	110,000
Others (Non-Cascade Plans)	8%	76,000



Rates are for a 40-year-old non-smoker, inclusive of all counties and are not weighted for enrollment; 2024 rates are proposed rates before any available state or federal subsidy

Proposed Public Option Availability and Pricing

- Public Option are lowest cost silver plans in 26 counties.
- As proposed, Public Option will be available in 37 counties (all except Lincoln and Grays Harbor), up from availability in 34 counties in 2023.
- New proposed public option counties are Clallam, Columbia, Garfield. All 3 public option carriers requested to expand.
- Proposed Public Option rates increasing 5% on average compared to 8% for non-Public option plans.

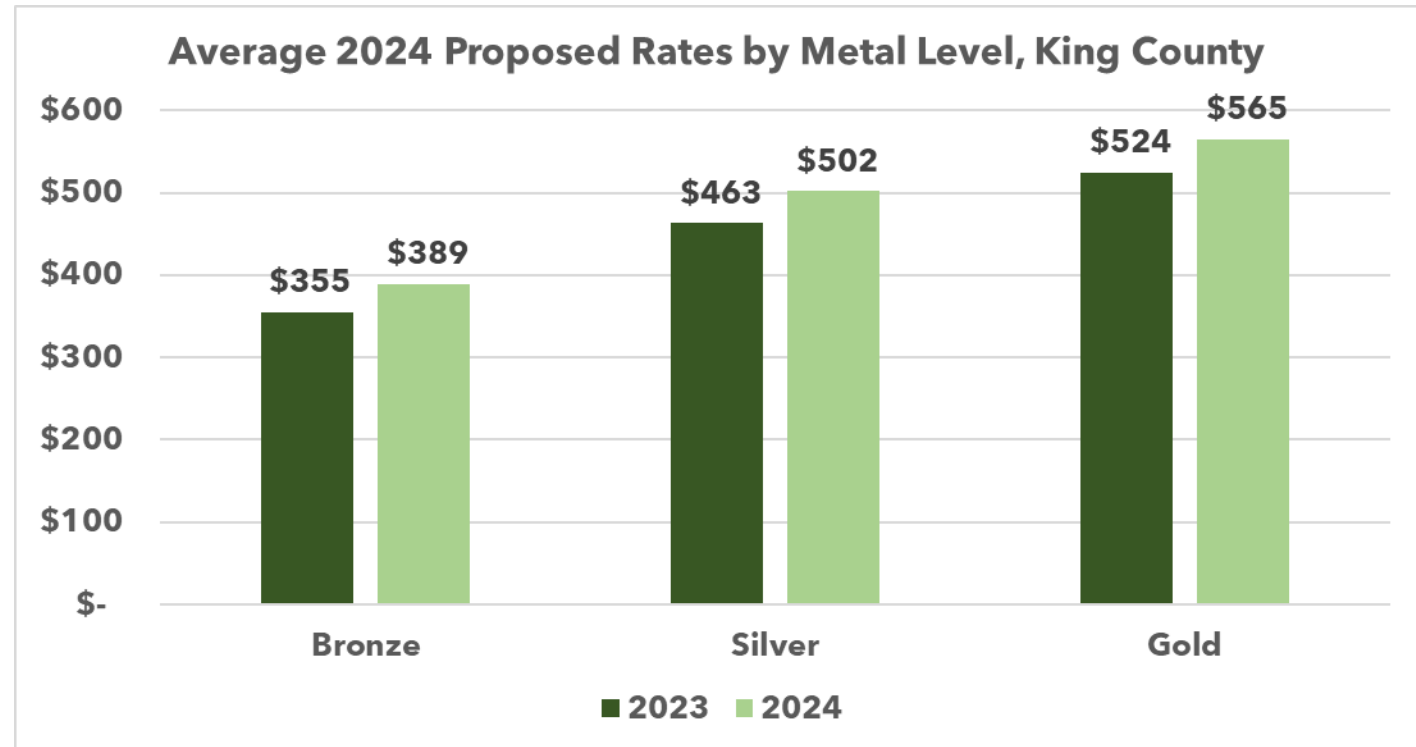
PO Carrier	2023 Average Rate	2024 Average Rate	% Change
CHPW	\$375	\$388	3%
Coordinated Care	\$340	\$360	6%
LifeWise	\$450	\$478	6%

Rates are for a 40-year-old non-smoker, inclusive of all counties and metal levels are not weighted for enrollment; 2024 rates are proposed rates before any available federal or state subsidy

Rate Increases at All Metal Levels Threaten Affordability

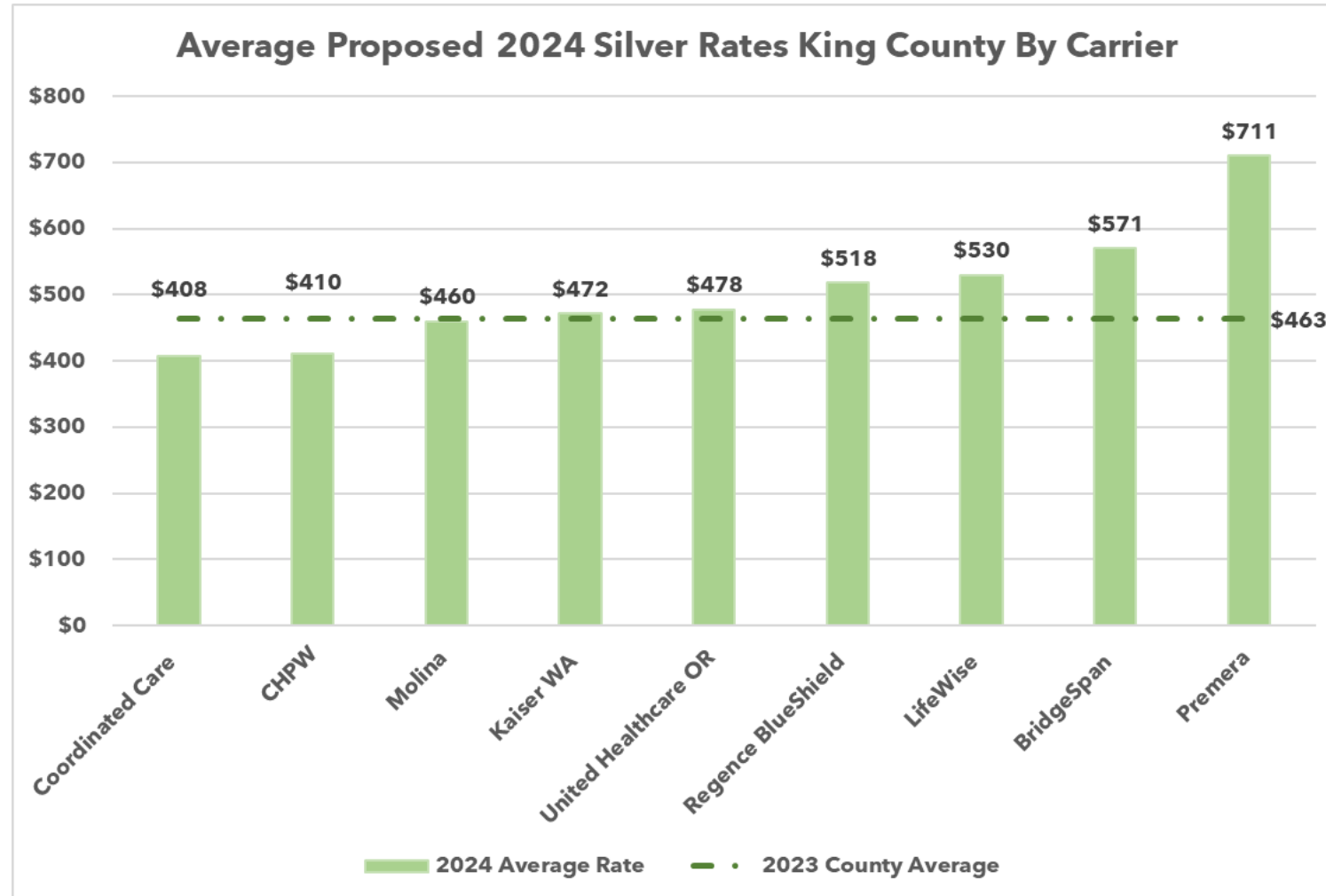
Average Annual Increase by Metal in King County

Bronze: \$408
Silver: \$468
Gold: \$492



Rates are for a 40-year-old non-smoker, inclusive of all counties and are not weighted for enrollment; 2024 rates are proposed rates before any available federal or state subsidy

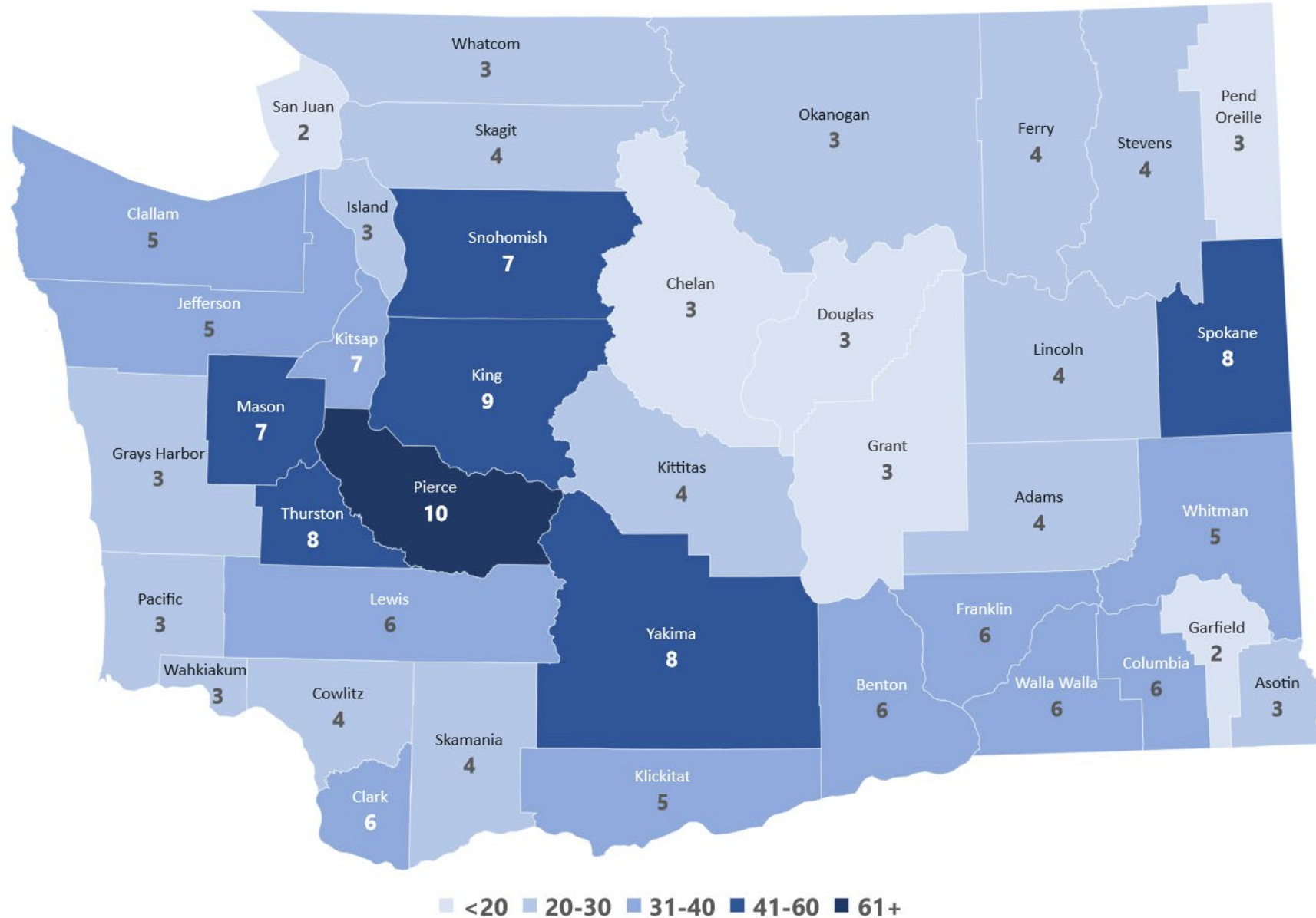
Wide Variation in Rates at Silver Metal Level and County



Proposed Rates are for a 40-Year-Old non-smoker and are not weighted for enrollment

Consumers Continue to Face Choice Overload

Number of Proposed 2024 Carriers (#) and Plans (Color) by County



In 2024:

- 82 plans proposed for 2024, compared to 120 in 2022 and 90 in 2023.
- Consumers choose from among 12-62 plans per county.
- 7 counties have 40+ plans.

Discussion & Questions



Cascade Care Next Steps

Summary and Look Forward

- **Cascade Care Plan Design**
 - Workgroup will engage in plan year 2025 standard plan design throughout 2023.
- **Cascade Select**
 - 2023 Legislative reports analyses, findings, and drafts will be shared at summer meetings for workgroup feedback.
- **Cascade Care Savings**
 - Public comment period for draft 2024 Cascade Care Savings methodology opening this month.

Next Cascade Care Workgroup meeting: August 8

Adjourn



Appendix

- Cascade Care Workgroup Roster
- VBID background / previous workgroup discussions
- 2023 Cascade Care landscape information: Exchange Board presentation about market health



Cascade Care Workgroup Members

- Jane Beyer / Ned Gaines, Office of the Insurance Commissioner
- Jennifer Brackeen, Summit Pacific Medical Center
- Emily Brice, Northwest Health Law Advocates
- John-Pierre Cardenas, Kaiser Permanente
- Dekker Dirksen, Community Health Plan of Washington
- Jim Freeburg, Patient Coalition of Washington
- Stu Freed, Confluence Health retired
- Carrie Glover, Dziedzic Public Affairs
- Sean Graham, Washington State Medical Association
- Rhonda Hauff, Yakima Neighborhood Health Services
- Sybill Hyppolite, Washington State Labor Council
- Kristin Meadows, Premera/Lifewise
- Daphne Pie, Public Health-Seattle & King County
- Ashlen Strong, Washington State Hospital Association
- Susanne Towill, Coordinated Care
- Mandy Weeks-Green, Health Care Authority

Cascade Care Plan Design

Intentional Integration of Value-based Insurance Design in
PY2025 and Beyond

June 2023 Cascade Care Workgroup Discussion Summary



June 2023 Cascade Care Workgroup Discussion

Continuing to integrate value-based benefit design into Cascade Care plans.

- In April and May, we continued our discussion from 2022 about value-based insurance design in Cascade Care plans.
 - Cascade Care plan design background & current approach to VBID.
 - Guiding principles for integration of VBID in plan year 2025.
 - Increasing access to high-value care and reducing access to potentially harmful care, including examples from WA and other marketplaces.
- Today, we will discuss options for incorporating VBID in 2025 plan design.
 - Agreements and discussion themes to date.
 - Options for increasing access to high-value care and addressing low clinical value services.

June 2023 Discussion: Options for 2025 Plan Design

Today's goal: Identify priorities for addressing high & low clinical value services

Increase access to core prevention and health management services.

- Lower prescription drug co-pays.
 - Reduced or zero cost for generic drugs in specific drug categories/classes (e.g., anti-addiction agents)
- Increase number of \$1 mental health office visits, e.g., 10 visits.

Focus on conditions with known disparities.

- Benefit design focused on diabetes management:
 - Reduced or zero cost-sharing e.g., for glucometers and testing supplies; recommended services such as eye and foot exams.

Leverage and align with state initiatives addressing services with low clinical value.

- Services aligned with Washington Health Alliance waste calculator (e.g., antibiotics for acute upper respiratory and ear infections).
- No-coverage services adopted by the Alliance (e.g., spinal fusion).

Consider: Metal levels at which priorities could be applied; alignment with QHP quality program and other state purchaser priorities; equity implications.



V-BID X: Expanding Coverage of Essential Clinical Care and Enhancing Equity Without Increasing Premiums or Deductibles

A. Mark Fendrick, MD

University of Michigan Center for
Value-Based Insurance Design

June 2022 Cascade Care Workgroup presentation & VBID resources:

<https://vbidcenter.org/whbe-2022/>

Market Analysis

Shift to Cascade Care and Look Forward

Exchange Board Meeting
May 25, 2023

Laura Kate Zaichkin (she/her), Senior Policy Advisor
Kristin Villas (she/her), Senior Policy Analyst



Exchange Board presentation: https://www.wahbexchange.org/content/dam/wahbe-assets/events/exchange-board/HBE_EB_20230525_MarketAnalysis.pdf



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