

State Premium Assistance Policy Options

Effective for Coverage Beginning January 1, 2026

Policy Change Goals & Opportunities:

Due to annual premium increases, state subsidies customers use today to lower their premiums will not stretch as far. Policy opportunities include:

- (1) Equity – Prioritize subsidy for populations most at risk of losing coverage or being uninsured
- (2) Stewardship of State Resources:
 - Encourage market behavior that advances affordability & plan quality
 - Maximize the benefit of public investment

Background: The Washington State Legislature created in 2021 the State Premium Assistance Program, known to customers as Cascade Care Savings (SB 5377). The program, launched in plan year 2023, is currently funded through an appropriation by the Legislature (\$55M annually in plan years 2023-2025).

Current Program Policy	2024 Impact
<ul style="list-style-type: none"> • Two fixed maximum per member, per month (PMPM) amounts—one amount for those eligible for federal tax credits and another for those not eligible for federal subsidies. • Customers up to 250% FPL, who maximize all available tax credits, are ineligible for Medicare and Medicaid, and are enrolled in Cascade Care Silver & Gold plans are eligible. • Lowest cost Cascade Care Silver plan sets the benchmark. 	<ul style="list-style-type: none"> • Outside factors (continued premium increases, enrollment increases, federal and state funding) impact how far the subsidy budget can stretch. • Under the current policy, setting PMPMs is the only lever the Exchange has to manage state subsidy budget in a dynamic market. • ~100,000 customers with federal subsidies receive state subsidy (average \$33 PMPM). • ~6,000 customers without federal subsidies (including ~25% customers without a documented status) receive state subsidy (average \$250 PMPM). • 93,000 enrollees have access to a \$0 plan, with about 42,000 enrollees choosing the \$0 plan. • About 30% of customers (~35,000) income-eligible for state subsidy do not receive it because they are not enrolled in an eligible plan. Half of these customers are enrolled in non-standard Silver plans and more than 40% are in Bronze plans.

Policy Options Under Consideration:

1. Limit Cascade Care plans eligible for Cascade Care Savings
2. Refine metal level eligibility
3. Increase eligibility to 300% FPL
4. Encourage full use of available federal subsidy to maximize state investment

Plan Year 2026 Policy Options

Policy Options	Goals	Intended Impact
Limit Eligible Cascade Care Plans Based on Affordability: Eligible plans are standard silver and gold plans within X% of the lowest cost Cascade Care Silver plan or the lowest cost Cascade Care Gold plan.	Equity	<ul style="list-style-type: none"> Target limited resources to customers who are the most price sensitive, who require state subsidy to get and stay covered. Results in more low-income customers enrolled in the Exchange. Low-cost plans are a driver of high Exchange enrollment.
	Stewardship of State Resources	<ul style="list-style-type: none"> As premiums increase, encourages all carriers to maintain affordability. Carrier achievement of benchmark will drive lower premium prices. State resources reserved for more affordable plans. Higher % of premium covered by federal subsidy before first state dollars are used.
Limit Eligible Cascade Care Plans Based on Quality: Eligible plans are standard silver and gold plans that meet defined quality thresholds.	Equity	<ul style="list-style-type: none"> Target limited resources to customers who enroll in plans committed to addressing health disparities by meeting quality standards.
	Stewardship of State Investment	<ul style="list-style-type: none"> Carriers will be incentivized to meet national quality benchmarks, which over time can reduce health care costs. State resources reserved for high-quality plans.
Refine Metal Level Eligibility: Eligible plans for customers without federal subsidies and customers over 200% FPL, regardless of eligibility for federal subsidies, are silver and gold standard plans. Eligible plans for customers with federal subsidies under 200% FPL are silver standard plans.	Equity	<ul style="list-style-type: none"> Customers over 200% FPL can apply CCS to eligible gold plans. Customers without federal subsidies can apply CCS to eligible gold plans. Customers under 200% with federal subsidies can apply CCS to eligible silver plans that have a higher actuarial value than gold plans. Reduce plan choice error by encouraging customers to enroll in low-cost, high-value plans to maintain their CCS.
	Stewardship of State Resources	<ul style="list-style-type: none"> Overall premium costs for CCS-eligible plans is reduced while retaining customer plan choice. Maximize the effectiveness of CCS by reserving state subsidy dollars for qualifying customers enrolled in lower premium plans that meet their cost-sharing needs.
Increase Eligibility: Increase CCS eligibility to up to 300% FPL.	Equity	<ul style="list-style-type: none"> Currently, the Exchange has over 22,000 customers between 251%-300% FPL that would gain access to state subsidy: <ul style="list-style-type: none"> 40% of newly eligible customers would be customers of color. Over 30% of newly eligible customers would be 55 and older. Stands to lose the greatest dollar amount of federal subsidies of customer <400% FPL.
	Stewardship of State Resources	<ul style="list-style-type: none"> Increase carrier competition for newly eligible customers. Equity & expense tradeoffs need to be considered – expanding eligibility to those not eligible today would impact expanding subsidies to those eligible today.
Encourage Full Use of Available Federal Subsidy: Tighten requirements to utilize APTC in order to be eligible for CCS. Current policy allows customers with documented status who, e.g., opt not to file taxes or have access to affordable other minimum essential coverage, to receive CCS subsidy as customer not eligible for federal subsidies.	Equity	<ul style="list-style-type: none"> Encourage customers who have access to federal subsidies to receive APTC, maximizing their savings. Customers experiencing hardships preventing them from receiving APTC would still be eligible for CCS as a customer not eligible for federal subsidies.
	Stewardship of State Resources	<ul style="list-style-type: none"> Ensure all accessible federal subsidy is applied before CCS, extending the reach of state investment.