



## Standardized cost sharing

Enhancing Washingtonians' health insurance access with Cascade Care plans from Washington Healthplanfinder

The overwhelming number and variation of plan offerings is a challenge for Washington Healthplanfinder customers. To address this, Washington Health Benefit Exchange (Exchange) has partially standardized the market and explored with its partners opportunities to further require meaningfully different plans while maintaining core standards. Standard plans (branded as Cascade and Cascade Select), when compared to one another, provide the same benefit and cost-sharing structure across carriers, help customers make “apples-to-apples” comparisons between plans, and provide clear choices based on premium, network and quality.

Three out of four Exchange customers are enrolled in standard plans today.

By eliminating non-standard plans, the Exchange intends to advance market dynamics by driving healthy competition on factors that differentiate plan offerings based on what matters most to customers — premium, network, and carrier quality and customer service. Additionally, the Exchange hopes to reduce the likelihood customers are confused or overwhelmed by too many plan choices. National research shows when customers become overwhelmed by having option “overload,” they do not select a health insurance plan, or fail to select a plan that best supports their health and financial well-being, known as “choice error.” This is not the best outcome for customers.

### How Exchange customers benefit from standard plans

Washington Healthplanfinder customers consistently provide feedback that the overwhelming number and variation of plan offerings is a challenge to navigate. The Exchange is committed to providing customers with meaningful choices that are easy to understand and compare.

The Exchange has taken reasonable and thoughtful steps to partially standardize cost sharing, while exploring opportunities to further require that plans have meaningful differences and maintain core standards.

Standard plans can be a tool that helps customers get smart about complex health insurance and health care decisions.

This helps customers make meaningful decisions and things that are important to them such as premium, network and quality.

If non-standard plans were eliminated the Exchange could advance market dynamics by driving healthy competition on factors that differentiate plan offerings in a meaningful way.

Notably, most employer-based health insurance does not have the plan options overwhelm that is present in the qualified health plan market. Standardization of cost sharing levels the playing field and provides meaningful choices for more customers.

## Options summary

Exchange is exploring requiring only standardized health plans be offered on Washington Healthplanfinder.

Options for consideration:

1. Starting 2027, transition to **only standard plans at the Silver metal level, and limit the number of non-standard plans carriers may offer at all other metal levels to one each**. The Exchange would deliver a report to the Legislature by December 2029 reexamining whether all plans on Washington Healthplanfinder should be standardized. This option aligns with ESHB 2361 as passed by the Senate Committee on Health & Long Term Care during the 2024 Legislative session.
2. Transition to **only standard plans at the Silver metal level starting in 2027, and all metal levels starting in 2028**. The Exchange would design additional standard plans (catastrophic, Health Savings Account-compatible high deductible health plan, and Gold) carriers could offer starting 2028. This option aligns with HB 2361 and SB 6258 as introduced during the 2024 Legislative session.
3. Transition to **only standard plans starting 2027**. The Exchange would design two standard plans at the Bronze, Silver and Gold metal levels, and a standardized catastrophic plan.

## Standard Plans Background

At the direction of the Washington State Legislature, Exchange carriers began offering standard plans through Washington Healthplanfinder in 2021. Standard plans are a medical debt mitigator. Legislatively required to have low deductibles, standard plans have low copays, cover services before the deductible, and make customers' out-of-pocket costs transparent. Cost sharing passed to the customer is a real risk when federal dynamics and health care costs drive up health plan expenses.

Standard plans lower customers' total costs of care by:

- Covering more services at predictable copays before the deductible than non-standard plans, for services such as primary care, urgent care, mental health services, generic drugs, and more.
- Helping reduce medical debt as standard plans are required by Legislature to have low deductibles, low copays and cover services before the deductible. These requirements mitigate and make customers' out-of-pocket costs transparent.

Standard plans are more cost effective for customers.

- The deductibles of standard plans are an average of nearly \$1,000 less than non-standard plans.
- Standard plans support customers in maximizing all available federal and state subsidies to make coverage more affordable.
- In 2024, customers in standard plans pay an average of \$75 less in monthly premiums than customers in non-standard plans.

Washington is one of 10 state-based marketplaces (out of 18 total), along with the federal government marketplace, to require standard plans. States are increasingly offering only standard plans or limiting non-standard plans. In Washington state, following improvements the Legislature made in the 2021 session, current law requires Exchange carriers to offer standard plans and limits the number of non-standard plans carriers may offer to one at the Silver metal level and two each at the Bronze and Gold metal levels. Some Exchange carriers voluntarily offer only standard plans or standard plans only at Silver.

Please send feedback on this proposal to [cascadecare@wahbexchange.org](mailto:cascadecare@wahbexchange.org).