



2024 Legislative Session Recap

Exchange Board Meeting

March 28, 2024

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Strategic Partnerships*

Session Wrap-Up: Overview

- Session Ended March 7th
 - Session Overview
- Conference Budget Highlights
 - Decision Packages
 - Cascade Care Savings
- Policy Bill Highlights
 - Standard Plan Bill
 - Affordability Bills
 - Cascade Care – next steps

2024 Supplemental State Legislative Session



Make Equity Gains

Immigrant Health Coverage, Cascade Care Savings

- Sustain Cascade Care Savings state subsidy level through 2025
- Support HCA in implementing the upcoming Apple Health Expansion, a program that will be primarily accessed through *Washington Healthplanfinder*.



Support Continuous Coverage

Responsive call center, date-driven outreach

- Funding to account for higher than anticipated call volume related to Medicaid redeterminations
- Funding to continue best practices to transition people from Medicaid (Apple Health) to Qualified Health Plans



Maintain *Washington Healthplanfinder*

Stable, high performing and secure

- Funding for security and disaster recovery
- Funding to address backlog system changes to improve customer experience
- Funding to maintain operational costs for eligibility verification (ACES), software costs



Simplify Plan Choice

Support HB 2361/ SB 6258

- Support legislation to fully standardize the Exchange market
- Improve customer experience by increasing affordability and allowing consumers to make more informed decisions.




Drive Affordability

Support bills to increase oversight and accountability

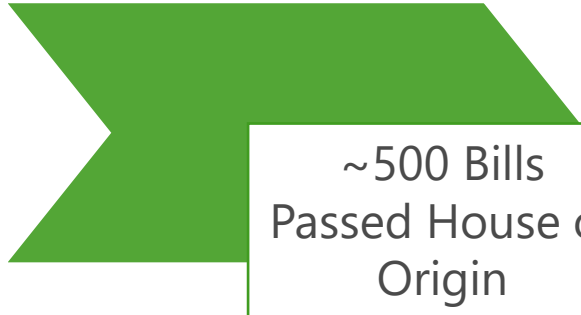
- Support effective approaches to lower health care costs and improve price transparency
- The Exchange is supporting and monitoring bills that seek to address underlying health costs
 - HB 2066/SB 5848
 - HB 1508/SB 5519
 - HB 1263/SB 5241
 - HB 2285/SB 5986

Exchange Activity Overview


- Reviewed hundreds of bills and tracked ~80+, including ~35+ with direct or indirect Exchange impacts.
- Engaged in hearings on standard plan bill and affordability bills.
- Submitted bill and budget amendment requests that were adopted.
- Provided data and technical assistance as requested.



~1,600 Bills
Introduced



~500 Bills
Passed House of
Origin



~380 Bills
Passed

Conference Budget Highlights

- Inclusion of all Exchange budget requests
- Additional \$15M for Cascade Care Savings to ensure consistent funding levels through PY 2025
- One new, expected proviso that includes our suggested amendments (auto-enrollment study due December 31, 2024)
- Funding to re-start the child care sponsorship program not included
- Provided data that helped HCA secure an additional ~25M in program funding for the upcoming Apple Health Expansion

Budget priorities



Maintain equity gains: Cascade Care Savings, Immigrant Health Coverage

Health equity is a primary goal of the Exchange and its Board, as reflected in our [mission and recently updated equity statement](#). The Exchange is requesting funding to:

- Continue current funding levels for the state premium subsidy (Cascade Care Savings) through plan year 2025, to reduce access barriers for our lowest-income, most diverse customers.
- Support HCA in implementing the upcoming Apple Health Expansion for all Washingtonians, regardless of citizenship status, a program that will be primarily accessed through *Washington Healthplanfinder*.



Support continuous coverage: Responsive call center, data-driven outreach

The Exchange has been successful in keeping people covered as they churn between Medicaid and Qualified Health Plans (QHP) eligibility.

- Funding to account for higher than anticipated call volume related to Medicaid redeterminations.
- Resources for monitoring and reporting out on the churn population, to inform tailored and efficient outreach.
- Maintain funding for enhanced local, community-based outreach and enhance direct to consumer outreach (via texting) and small business engagement.



Maintain Healthplanfinder: Stable, high performing and secure

Washington Healthplanfinder is used by over one in four Washingtonians to obtain health and dental insurance, and access available federal and state subsidies.

- Funding for security and disaster recovery
- Funding to address backlog system to improve customer experience
- Funding to maintain operating costs for eligibility verification (ACES), software costs

Conference Budget – Exchange Overview

Secured Requested Funding for Exchange Decision Packages

- ACES M&O Costs
- Maintain Software Capabilities
- Medicaid Redeterminations and Continuous Coverage
- Security and Disaster Recovery
- Consumer Experience and Access
- Apple Health Expansion Implementation Support
- Compensation

Secured Technical Corrections

- Adjustment to the frequency of 17T, GF-State, and Health Care Affordability Account distributions from semi annual to quarterly; 1332 waiver technical adjustment

Funding Provided for Existing Initiatives

- Cascade Care Savings

Miscellaneous Provisos

- QHP Continuous Coverage (Auto-nrollment) Study

Policy Bill Highlights

- Standard plan bill passed House and Senate Health Committee.
- Affordability bills had mixed success – two bills passed in amended form
- Striking worker outreach bill (5632) passed – HBE must establish new outreach program by Jan 1., 2025
- Several bills passed that reduce cost-sharing for certain services (Inhalers/epi pens; HIV drugs; preventative services)
- Additional bills passed that could impact future Board/committee/workgroup membership (1541) and our public comment notices (1105)

Policy priorities



Simplify plan choice HB 2361/SB 6258

- The Exchange submitted [three Legislative reports](#) to inform session discussions about how to strengthen Cascade Care for Exchange customers. These findings include ways to improve the public option and standardize the market.
- One report analyzed the impact of standard-only market and concluded that this would improve customer experience with minimal market disruption.
- [HB 2361/SB 6258](#) implements the recommendation to standardize the market by 2027.
- The bill would transition to standard only in the Silver Metal level by 2026, and a fully standard market by 2027.



Drive Affordability: Address underlying health costs

State and federal subsidies are supporting coverage gains, but over time they will not keep up with the fast rising costs of health care.

The Exchange is supporting and monitoring proposed bills that advance consumer affordability across markets.

- HB 2066 (Riccelli)/SB 5948 (Robinson) – [Improving affordability through Fair Market Negotiations](#)
- HB 1508 (Macri)/SB 5519 (Robinson) – [Increasing Oversight via Health Care Cost Transparency Board](#)
- SB 5241 (Randall)/HB 1263 (Simmons) – [“Keep Our Care Act”/Preventing Anticompetitive Mergers](#)
- SB 5986 (Cleveland)/HB 2285 (Riccelli) – [Prohibits Surprise Bills for Ground Ambulance](#)

Policy Bills – Priorities

- Simplify plan choice HB 2361 – passed House and Senate Health Committee
- Drive Affordability: Address underlying health costs – see chart below

Proposal	Goal	2024 Status
<u>HB 1508</u>	Improve consumer affordability through the Health Care Cost Transparency Board	Passed (in amended form)
<u>SB 5986</u>	End balance billing and establish a default out-of-network rate for ground ambulance services	Passed (in amended form)
<u>SB 5241</u>	Prevent anticompetitive mergers and consolidations that can reduce access	Passed the Senate and two House committees
<u>HB 2066</u>	Address affordability through fair health care provider contracting	Had a House Health hearing

Exchange Strategies to Address Affordability Challenges



Higher Quality Benefits, Lower Copays and Premiums



Premium Subsidies (Federal, Cascade Care Savings, Sponsorship)



Joint Policy and Purchasing Initiatives – HCA, OIC, PBGH, Bree, WHA, Fair Health Prices

Upcoming Interim Activities

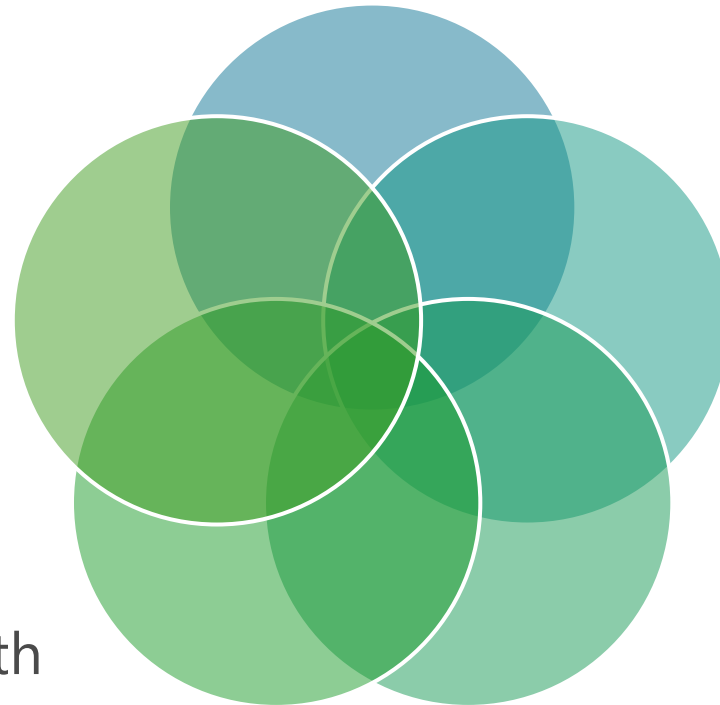
End of ARPA
Advocacy and
Preparation

Biennial Ask for
Cascade Care
Savings Funding

IHC Stabilization
& AHE
Crossover

Continued
Partnership with
Cascade Care
Stakeholders

Auto-
Enrollment
Study



Appendix



Health Care Affordability

WA Reports on Health Care Affordability

[Office of the Insurance Commissioner](#) and [Office of the Attorney General](#) preliminary reports:

- Landscape of WA health care system—and potential policy options to improve affordability. [In the news](#)

Exchange [Legislative Reports](#)

- Strengthened public option requirements will lower costs and could generate federal pass through savings

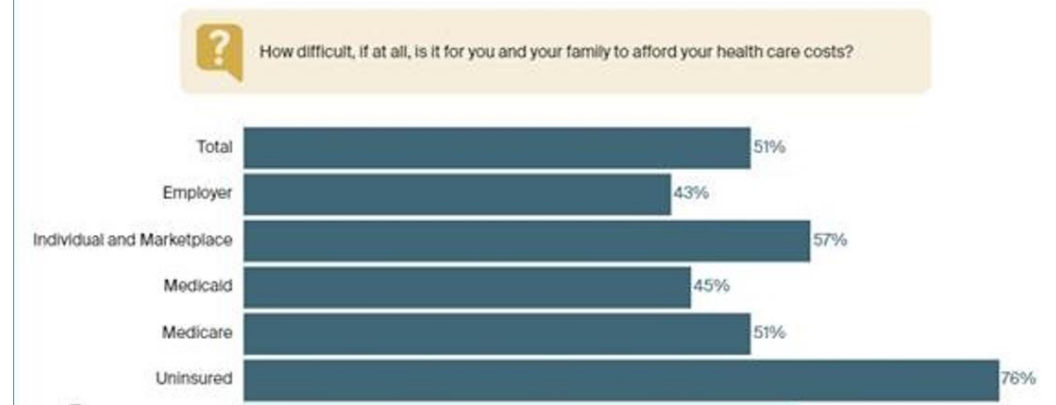
Washington Health Alliance [health waste report](#):

- \$126.5 million was spent on clinically wasteful and potentially harmful health care services 2020-2022.

Nationally: Half of adults have difficulty affording care

Half of working-age adults said it was very or somewhat difficult to afford their health care costs.

Percentage of adults ages 19–64 who reported difficulty affording health care costs, by insurance type and poverty level



[Commonwealth Survey 2023](#)

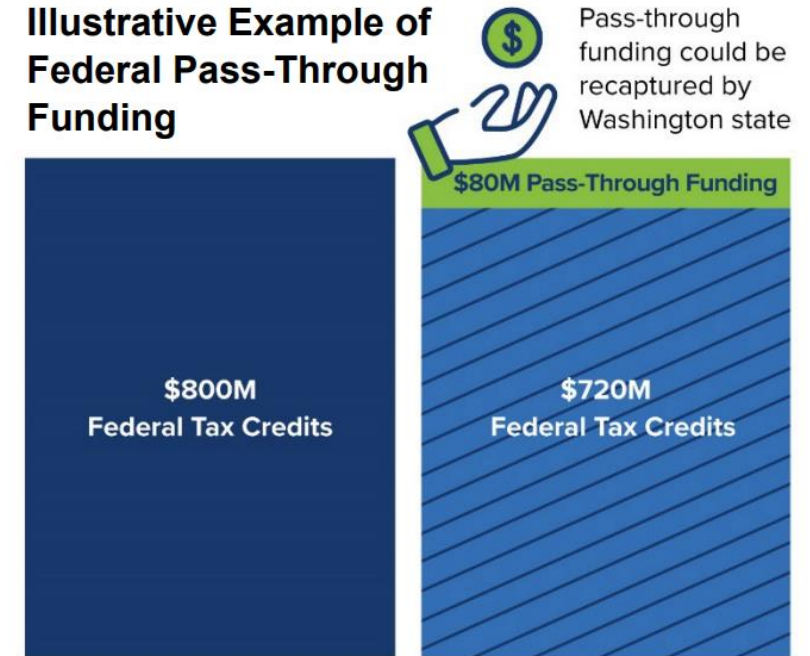
Area of Legislator Interest: 1332 Waiver & Federal Pass-Through Funding

How Pass-Through Works: Approved 1332 waiver innovations that result in reduced federal spending on premium tax credits creates funds that can be recaptured by the state, or “passed-through.”

Illustrative Example of Federal Pass-Through Funding

1. Annually, the federal government now pays ~\$800M in federal tax credits (APTC) to subsidize Exchange customers.
 - Amount based on cost of second lowest cost silver plans
2. Washington state passes bill reducing price of public option plan
 - Lowers the cost of second lowest cost silver plans → lowers the annual APTC amount paid by feds
3. Washington state, via an amended 1332 waiver, captures the federal ‘savings’ as pass-through funding.

Illustrative Example of Federal Pass-Through Funding



Example of Before vs. After Waiver

Conference Budget – Exchange Overview

Funding Request	2023-25 Requested Funding	Conference Budget SB5950	Notes
Cascade Care Savings	\$15,000,000	+	Funded as requested
ACES M&O Costs	\$792,000	+	Funded in alignment with DSHS's executed M&O contract
Maintain Software Capabilities	\$2,068,000	+	Funded as requested
Medicaid Redeterminations and Continuous Coverage	\$4,133,000	+	Funded as requested
Apple Health Expansion Implementation Support	\$618,000	+	Funded as requested
Security and Disaster Recovery	\$1,926,000	+	Funded as requested
Consumer Experience and Access	\$2,822,000	+	Current biennium funded as requested. Contract costs funded one-time
Compensation	\$2,181,000	+	Funded as requested
Legislative Additions:			
QHP Continuous Coverage Study	\$300,000	+	Funded as requested
Total Funding	\$29,840,000	\$29,840,000	

Bills of Interest to the Exchange (Passed)

Affordability: Ground Ambulance Billing (5986)

- Including ground-ambulance services in the protections against charges for out-of-network health care services by prohibiting balance billing
- Required health carriers to provide coverage for ground-ambulance transport services to behavioral health emergency service providers

Affordability: Health Care Cost Transparency Board (1508)

- Directs the Transparency Board to:
 - (1) Conduct an annual survey of underinsurance among WA residents and a survey of insurance trends among employers and employees;
 - (2) Hold public hearing annually to discuss the growth in total health care expenditures in relation to the health care cost growth benchmark and identify payers or health care providers whose health care cost growth exceeded the health care cost growth benchmark; and
 - (3) Increases the membership of the Transparency Board's Health Care Stakeholder Advisory Committee by adding members representing the interests of consumers, labor purchasers, and employer purchasers.

Access: Protecting Health Care Worker Participation in Labor Dispute (5632)

- Required HBE to administer a worker health plan access assistance program for employees who lose employer-provided health care coverage as a result of an active labor dispute

Access: Concerning Pharmacy Benefit Managers (5213)

- Changes requirements relating to health care benefit managers and pharmacy benefit managers and modifies the reimbursement appeal process. Allows federally regulated self-funded group plans to opt into state regulations on pharmacy benefit managers.

Bills of Interest to the Exchange (Passed)

Cost Sharing: Reducing the Cost of Inhalers and Autoinjectors (1979)

- Requires health plans to cap the total out-of-pocket cost for a 30-day supply of at least one inhaled corticosteroid; and
- Cap one inhaled corticosteroid combination product and at least one epinephrine autoinjector product containing at least two autoinjectors at \$35.

Cost Sharing: Increased Access to HIV Postexposure Drug (6127)

- Required hospitals to adopt policies dispensing PEP HIV drugs
- Prohibits health plans and Medicaid from imposing cost-sharing or prior authorization requirements for at least one of each required PEP drugs

Cost Sharing: Preserving Coverage of Preventive Services Without Cost Sharing (1957)

- Modifies the requirement for health carriers to cover the same preventive services without cost sharing as required by federal law;
- Authorizes the Insurance Commissioner to adopt rules related to any future preventive services recommendations or guidelines from the US Preventive Services Task Force, the Advisory Committee on Immunization Practices, and the US Health Resources and Services Administration or related rules or guidance.

Bills of Interest to the Exchange (Passed)

Public Comment Notice (1105)

- Mandates a public agency that is required to solicit public comment for a statutorily specified period of time and provide notice that it is soliciting public comment to include in the notice the first and last date of the comment period and the time by which written public comment may be submitted
- Subjects an agency to civil penalties for failure to include in a notice for public comment the first and last day of the comment period and time by which written comment may be submitted

Lived Experience – Establishing the Nothing about Us Without Us Act (1541)

- Requires that membership of each statutory entity created on or after Jan. 1, 2025 must include at least three individuals from underrepresented populations who have direct lived experience with the issue the statutory entity is tasked with examining. The entities must also reflect the diversity of people who have direct lived experience with the issue being examined.
- Statutory entities defined as any multimember task force, work group, or advisory committee, that is (1) temporary; (2) established by statute; (3) established for the specific purpose of examining a particular issue that directly and tangibly affects a particular underrepresented population; and (4) required to report to the Legislature on that issue.

Bills of Interest to the Exchange (Did Not Pass)

Standard Plans (2361)

- Health carrier may not offer non-standard plans at the silver level (2026).
- Health carrier may continue offering one non-standard plans at bronze and gold.

Affordability - Keep Our Care Act (Preventing Anticompetitive Mergers) (5241)

- Requires filing of notice with the AG at least 120 days before a qualifying transaction and related requirements including that notices include additional information; Requires the AG to approve, place conditions on, or disapprove of transactions; and
- Monitor compliance;
- Prohibits material change transactions that would detrimentally affect accessible affordable health care and other criteria;
- Establishes a civil penalty of up to 15% of the value of a transaction for violations of notice requirements and authorizes the Attorney General to bring enforcement actions.

Affordability - Addressing Affordability Through Health Care Provider Contracting (2066)

- Prohibits use of certain contractual provisions between health carriers and hospitals (all-or-nothing clause, anti-steering, anti-tiering)

Covered Lives Assessment (2476)

- Establishes the Covered Lives Assessment Professional Services Rate Account and creates a covered lives assessment on Medicaid MCO and health carriers.

Bills of Interest to the Exchange (Did Not Pass)

Dental Only Plans (6218)

- Dental only plans will be subject to a dental loss ratio of 83%

Cost Sharing Mandate - Treatment of Mental Health or SUD (2145)

- Health plans shall provide coverage for medically necessary treatment of mental health and substance use disorders. Carrier shall not limit benefits or coverage for chronic or pervasive mental health and substance use disorders to short-term or acute treatment

Cost Sharing Mandate - Advanced Metastatic Cancer (5814)

- Prohibits Medicaid and health plans, including those offered to public employees, from requiring an enrollee being treated for advanced metastatic cancer to fail to respond to another drug before providing coverage for the prescribed drug