



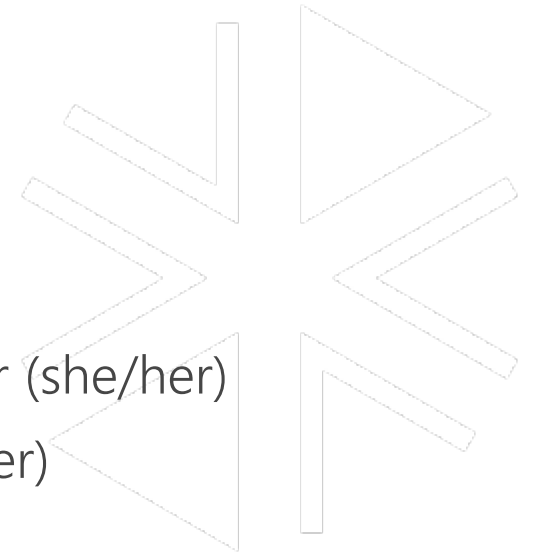
Affordability Preview: Plan Year 2023

Exchange Board Retreat

June 30, 2022

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

Kristin Villas, Senior Policy Analyst (she/her)



Cascade Care is Our Primary Affordability Initiative

Increase the availability of quality, affordable health coverage in the individual market.

- **Address costs** through lower premiums, lower deductibles, and providing 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 more informed 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 stability** through carrier participation, competitive product offerings, and a larger and more diverse risk pool.

Cascade Care Components

2019 and 2021 Legislative Directives

Standard Plans

Requires HBE to design and implement standard QHPs starting in the 2021 plan year.

Public Option

Requires HCA to contract with health carriers to offer state-procured standard QHPs starting in the 2021 plan year that have provider reimbursement rate caps and must include quality and value requirements.

State-based Consumer Subsidies

Subsidy Study

Required HBE to develop and submit a plan for implementing premium subsidies through Exchange for individuals up to 500% FPL (submitted to Legislature in November 2020).

Cascade Care Savings

Requires HBE to implement new partial state premium assistance for Cascade Care, supported by \$50 million in general fund state for plan year 2023.

Cascade Care Plans Add Value

- Provide lower deductibles than most plans.
- Provide more access to first dollar services and co-pays.
- Priced higher than non-standard plans for majority of carriers.

	2022 Standard Plan Deductible	2022 Median Non-Standard Deductible*	Range Non-Standard Deductible*
Gold	\$500	\$1,475	\$0-\$2,500
Silver	\$2,000	\$3,350	\$800-\$6,900
Bronze	\$6,000	\$7,500	\$3,000-\$8,700

*Range and Median Combines medical and RX deductible if not integrated in plan design

Public Option Includes Levers To Address Goals

Affordability, Access, Quality, Equity

Goal	Lever	2022 Progress
Affordability	<ul style="list-style-type: none">• Cap aggregate provider reimbursement at 160% of Medicare.• Participation requirements for hospital systems that participate in other public programs.• Competitively procured by State's purchasing authority.	<ul style="list-style-type: none">• Not meeting informal affordability target that public option premiums are 10% lower than other QHP premiums.• Public option silver plan is the lowest premium product in several counties in plan year 2022.• Data collection and plan year 2023 procurement underway.
Statewide Access	<ul style="list-style-type: none">• Provider participation requirements.• Competitive State procurement.	<ul style="list-style-type: none">• Availability expanded from 19 counties in 2021 to 25 counties in 2022.• Significant enrollment increase from 2021 to 2022 OE.
Quality & Equity	<ul style="list-style-type: none">• Requires cost and quality transparency.• Requires adoption of state quality, equity standards.	<ul style="list-style-type: none">• Regular reporting and monthly monitoring meetings between carriers and HCA.

Today's Agenda

- Plan Year 2023 Landscape
- Proposed Rates and Consumer Impact
- Proposed Cascade Care Access and Affordability

All data in this presentation are preliminary data

Today's presentation will be a first look at plan filings for plan year 2023 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 procurement of public option plans and will not be final until plan certification.



Summary of Initial 2023 Filings

- Proposed rate increases and potential ARPA subsidy expiration threaten affordability and access.
- Exchange premiums proposed to increase by 7.7%.
- Consumers continue to face choice overload: 99 QHP offerings for 2023 (vs. 120 in 2022).
- Cascade Care – Exchange’s primary affordability initiative:
 - Public option is proposed in all counties, pending HCA active selection process.
 - Public option rates are more competitive relative to significant non-Cascade plan proposed rate increases.
 - Watch points: market crowding, meaningful difference, meaningfully lower premiums.

Plan Year 2023 Landscape

Proposed carrier and plan offerings: Consumers face choice overload

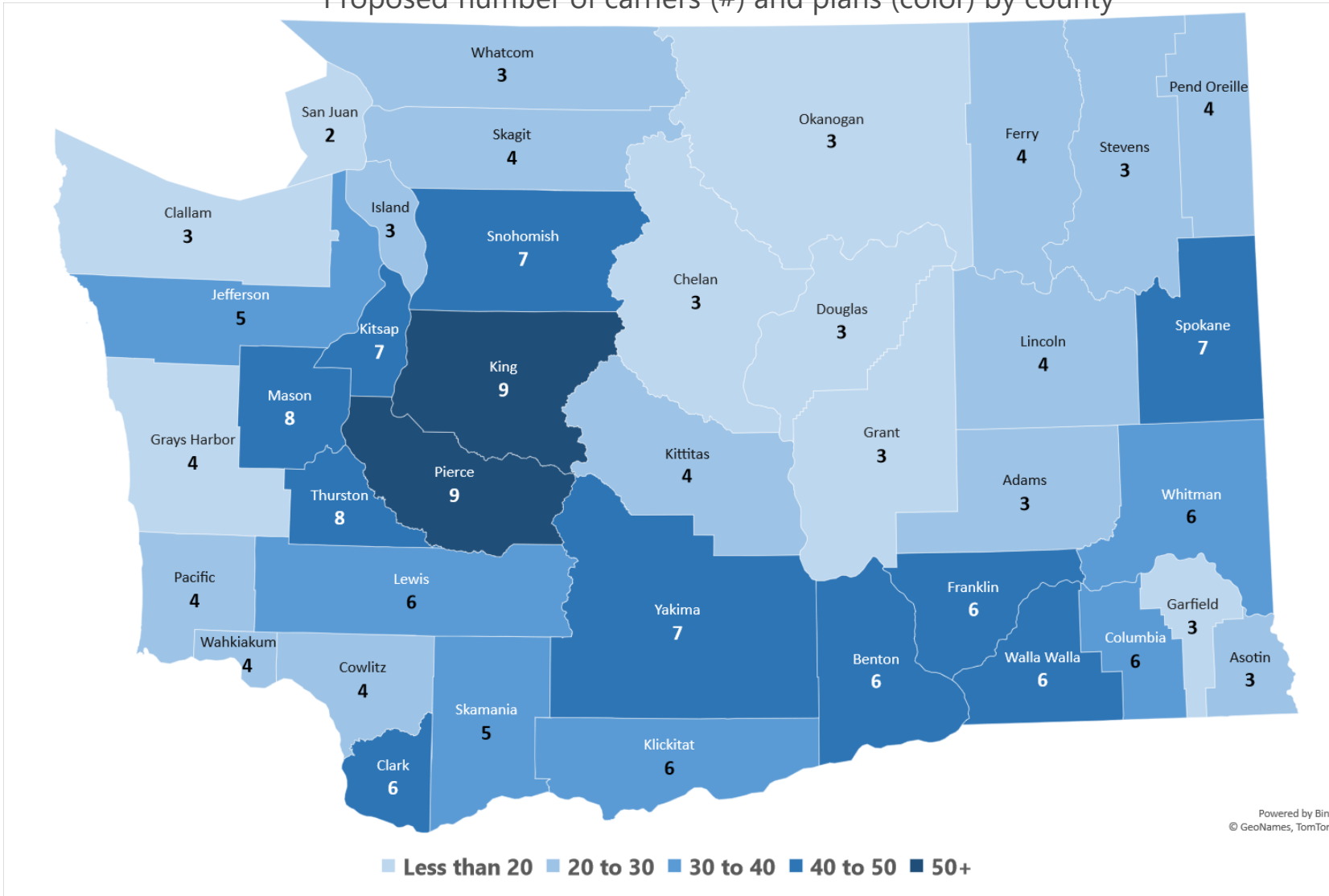


Carrier and Plan Offerings Summary

- Consumers face choice overload: 99 QHP offerings for 2023 (vs. 120 in 2022).
- Most Exchange customers (more than 80%) have more than 30 plans to choose from.
 - King County customers have the most plans to choose from with 66 plans.
- Carrier participation is stable – 12 current Exchange carriers submitted proposed QHPs.
 - All counties have carrier choice: 38 counties have 3+ carriers; 1 county with 2 carriers.
 - Five carriers expanded into additional counties.

Consumers Face Choice Overload

Proposed number of carriers (#) and plans (color) by county

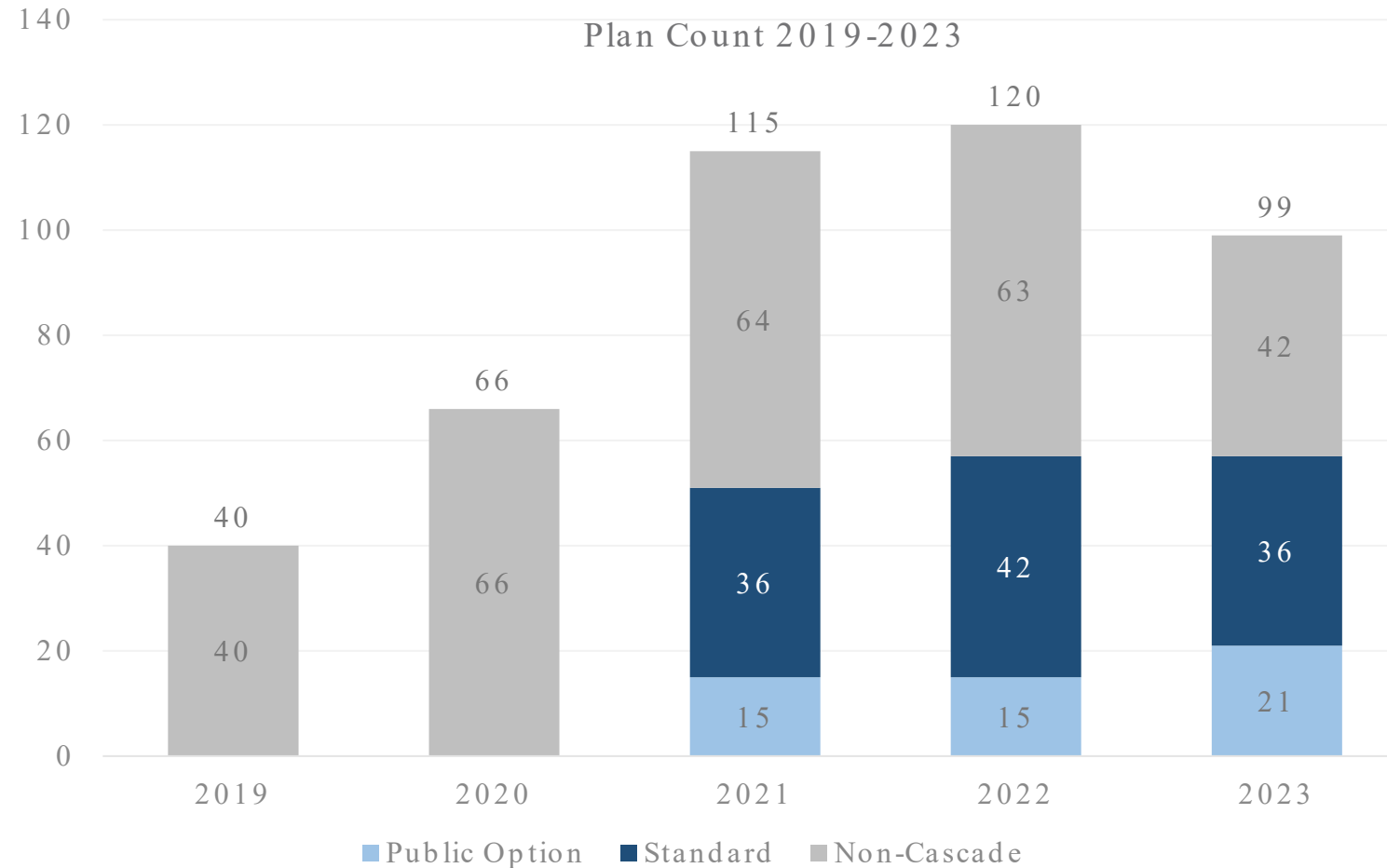


In 2023:

- 99 plans proposed for 2023, compared to 40 in 2019 and 66 in 2020.
- Consumers choose from among 13-66 plans per county.
- 12 counties have 40+ plans.

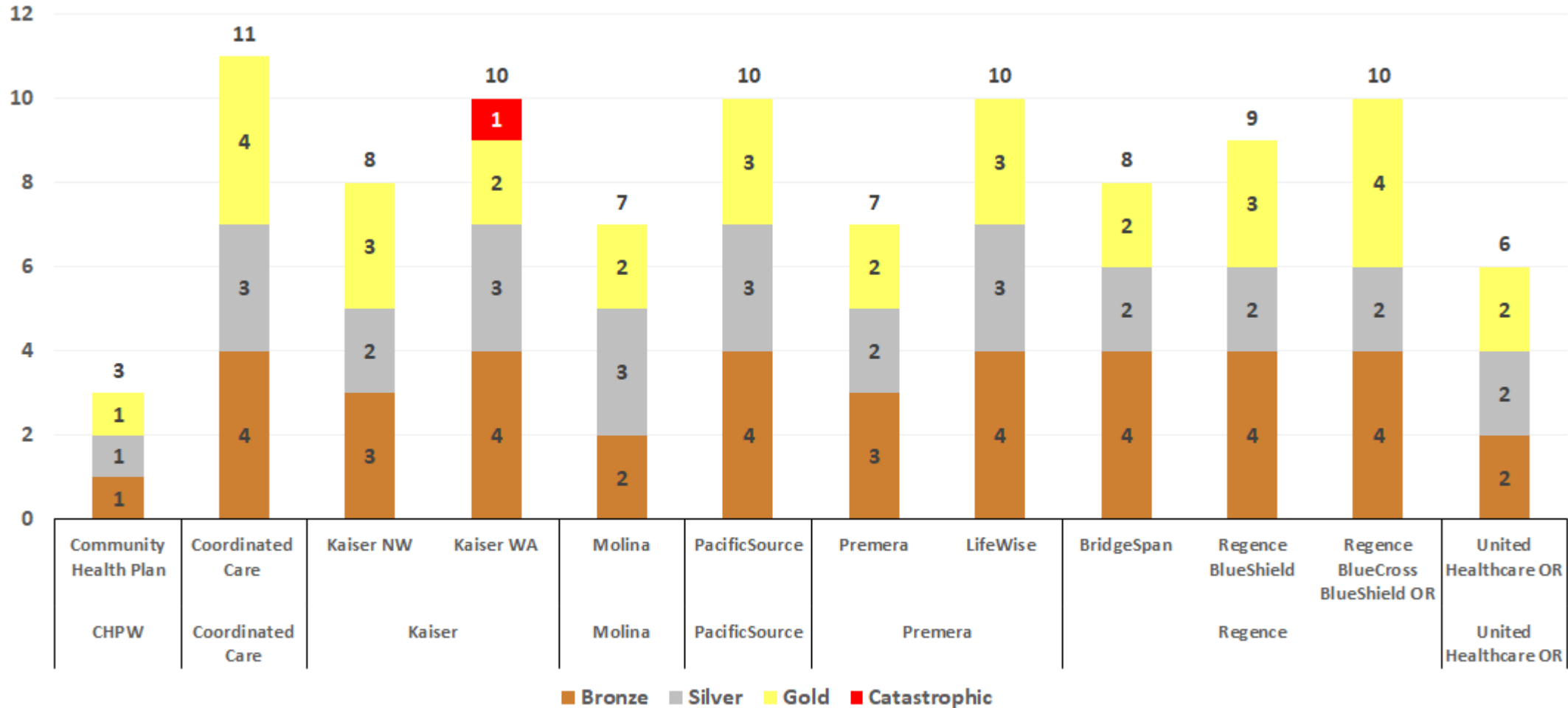
Number of Plans Has Significantly Increased Since 2019

New limits on Non-Cascade plans interrupting growth trend



Stable Carrier Participation in 2023

Proposed Plan Offerings by Carrier and Metal Level



Proposed Rates and Consumer Impact

Affordability and access are at risk



Summary of Proposed Rates

- Exchange premiums proposed to increase by 7.7%.
- Two-thirds of Exchange customers will see rate increase of greater than 5%.
- Proposed rate increases and potential ARPA subsidy expiration threaten affordability and access.

2023 Exchange Premiums Proposed to Increase by 7.7%*

- Proposed premium increases vary widely.
- WA State Cost Growth Benchmark for 2023 is 3.2%.

*Exchange-wide average rate change does not include CHPW. CHPW rate change calculated using different methodology given transition from CHNW to CHPW.

Average rate changes are weighted for Exchange enrollment

Carrier	Proposed Average Rate Change
BridgeSpan Health Company	16%
UnitedHealthcare of Oregon, Inc.	14%
Regence BlueShield	14%
LifeWise Health Plan of Washington	13%
PacificSource Health Plans	12%
Molina Healthcare of Washington	10%
Premera Blue Cross	10%
Kaiser Foundation Health Plan of Washington	4%
Kaiser Foundation Health Plan of the Northwest	4%
Community Health Plan of Washington	2%*
Regence BlueCross BlueShield of Oregon	2%
Coordinated Care Corporation	-2%

Two-Thirds of Exchange Customers Will See Rate Increases of Greater Than 5%

At plan level, rate changes range from -13% to 21%.

Plan Rate Change	Enrollment	Percent enrollment
Increase: > 10%	69,672	42%
Increase: 6% - 10%	40,252	24%
Increase 1%-5%*	37,192	22%
Stable	2,841	2%
Decrease: 1% - 5%	13,218	8%
Decrease: 6% - 10%	3,919	2%

*CHPW is included in "increase 1%-5%."

Not inclusive of terminated plans (~37k customers).

Most Popular Exchange Plan Proposing Nearly 11% Increase

- More than one-third of Exchange customers are enrolled in five plans.
- Proposed rate changes for these plans range from -1% to 11.1%.

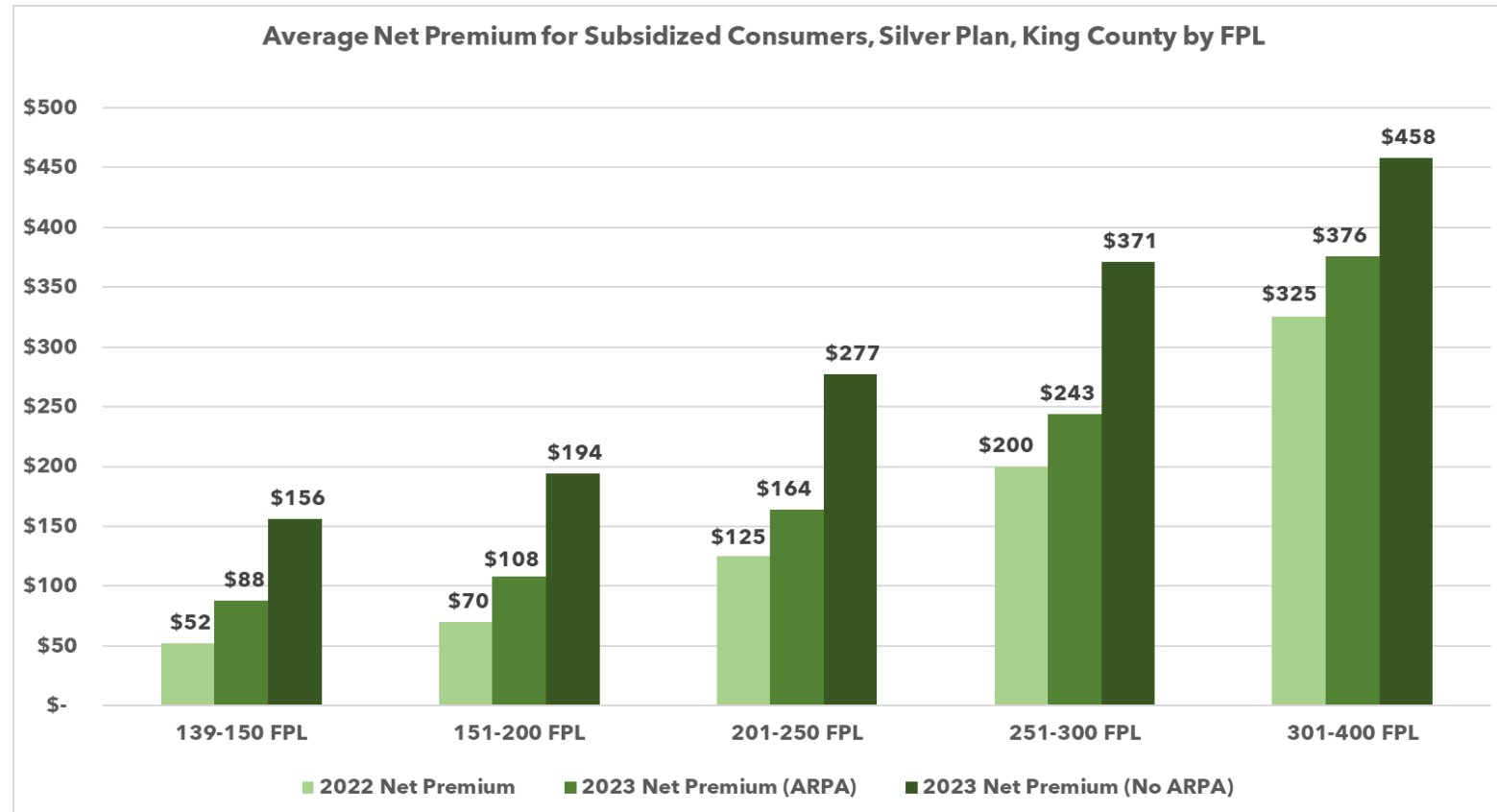
Top Exchange Plans by 2022 Enrollment

Issuer	Plan	Proposed Rate Change % (vs 2022)	Enrollment (as of 05/2022)
Molina Healthcare of Washington	Silver Non-Cascade	10.5%	20,677
<i>Molina Healthcare of Washington</i>	<i>Bronze Non-Cascade</i>	<i>N/A*</i>	<i>17,242</i>
Coordinated Care Corporation	Silver Non-Cascade	-1.0%	9,323
Kaiser Foundation Health Plan of Washington	Bronze Non-Cascade	4.3%	8,929
LifeWise Health Plan of Washington	Bronze Non-Cascade	11.1%	8,226

*Molina is terminating Non-Cascade Bronze Plan in 2023

Proposed Rate Increases and ARPA Subsidy Expiration Threaten Affordability and Access

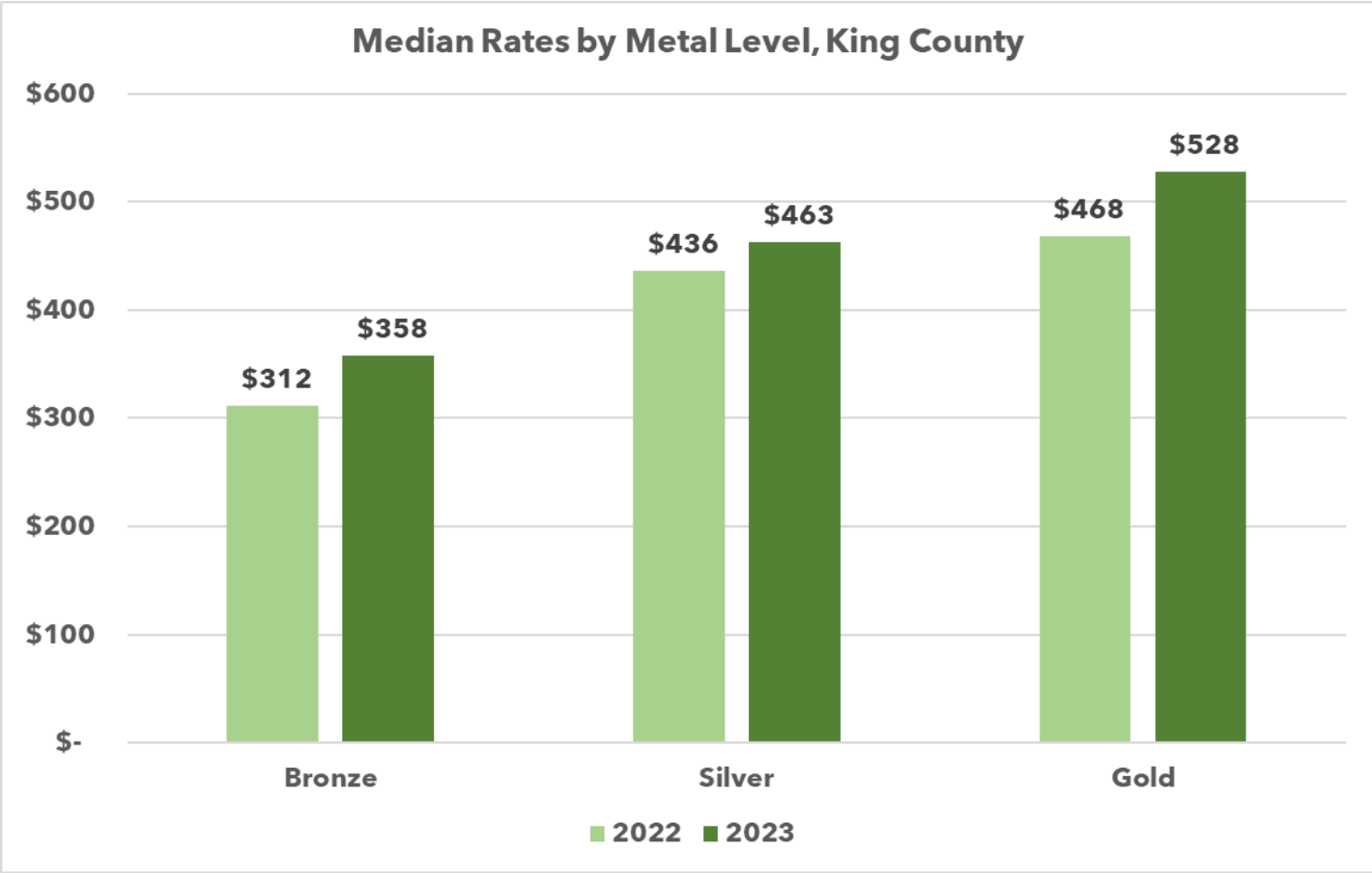
- Anticipate increasing uninsured rate.
- Subsidized customers under 400% FPL will experience compounded rate increases.
 - Without ARPA, customers will experience monthly premium increases of ~\$100-\$200 (\$1,200-\$2,400 annually).
- Context: Average rent in King County is \$2k/month; 275% FPL is \$3.1k monthly income or \$37k annual income.



Rates are for a subsidized 40-year-old non-smoker; 2023 rates are proposed rates

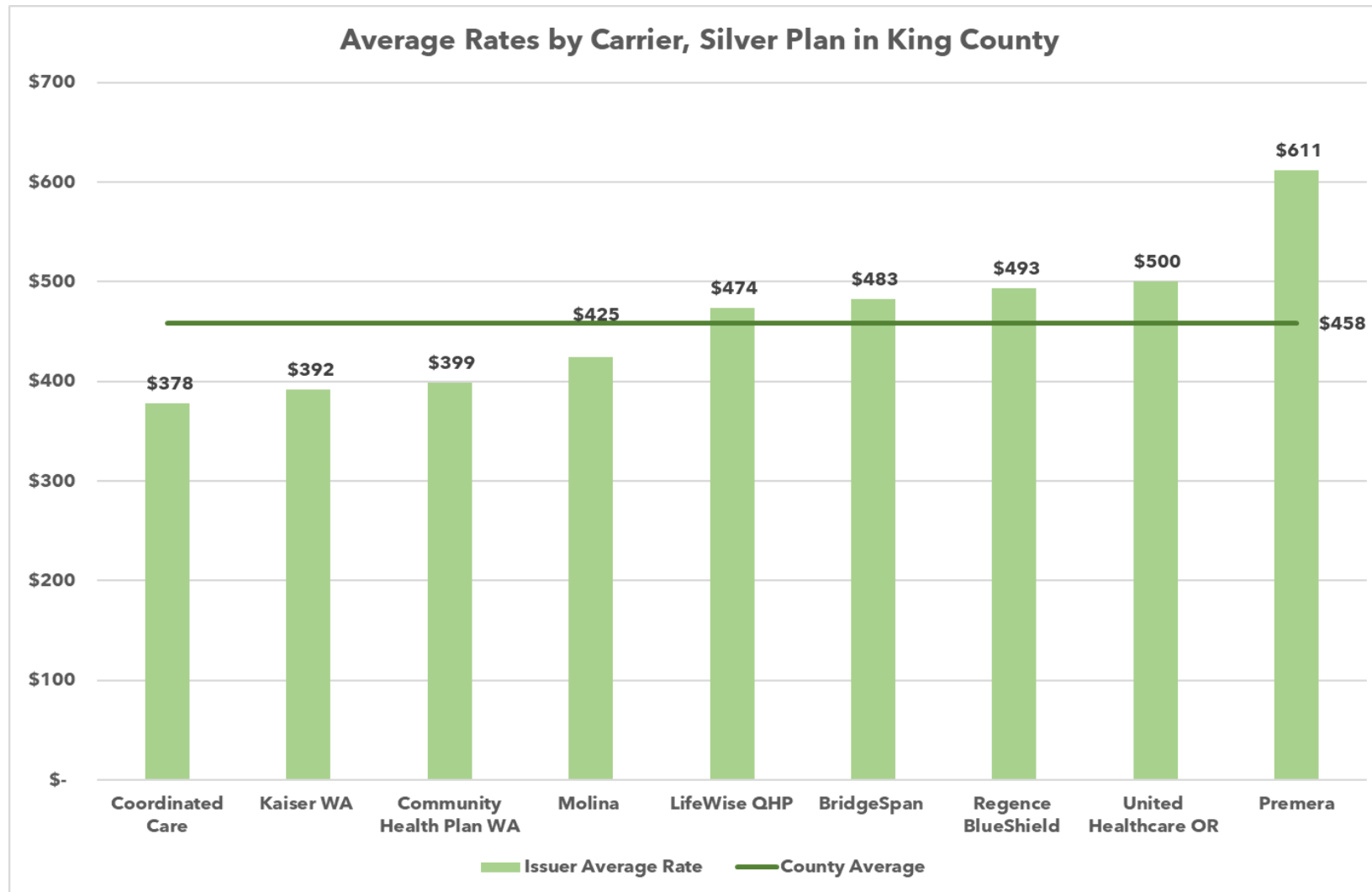
All Metal Levels See Significant Increase from 2022

Median rates by metal level increased between 6% to 15% (\$27-\$60) from 2022 to 2023



Rates are for a 40-year-old non-smoker; 2023 rates are proposed rates

Wide Variation in Proposed Premiums by Carrier



Rates are for a 40-year-old non-smoker; PacificSource, KPNW, and Regence BCBSOR issuers not offered in King County

Proposed Cascade Care Access & Affordability

Watch points: market crowding, meaningful difference,
meaningfully lower premiums



Cascade Care Summary

- Cascade Care rates continue to fall short on goal of meaningful premium reduction.
- Public option rates are more competitive relative to significant non-Cascade plan proposed rate increases.
- Public option proposals risk continued crowding of a market that does not need more of the same plan options—but does urgently need new high-quality plans with meaningfully lower premiums.

HCA public option active procurement underway. As proposed in initial filings:

- New proposed public option carriers: Molina, PacificSource.
- Carrier public option expansion advances statewide access goal (newly proposed in 14 counties).

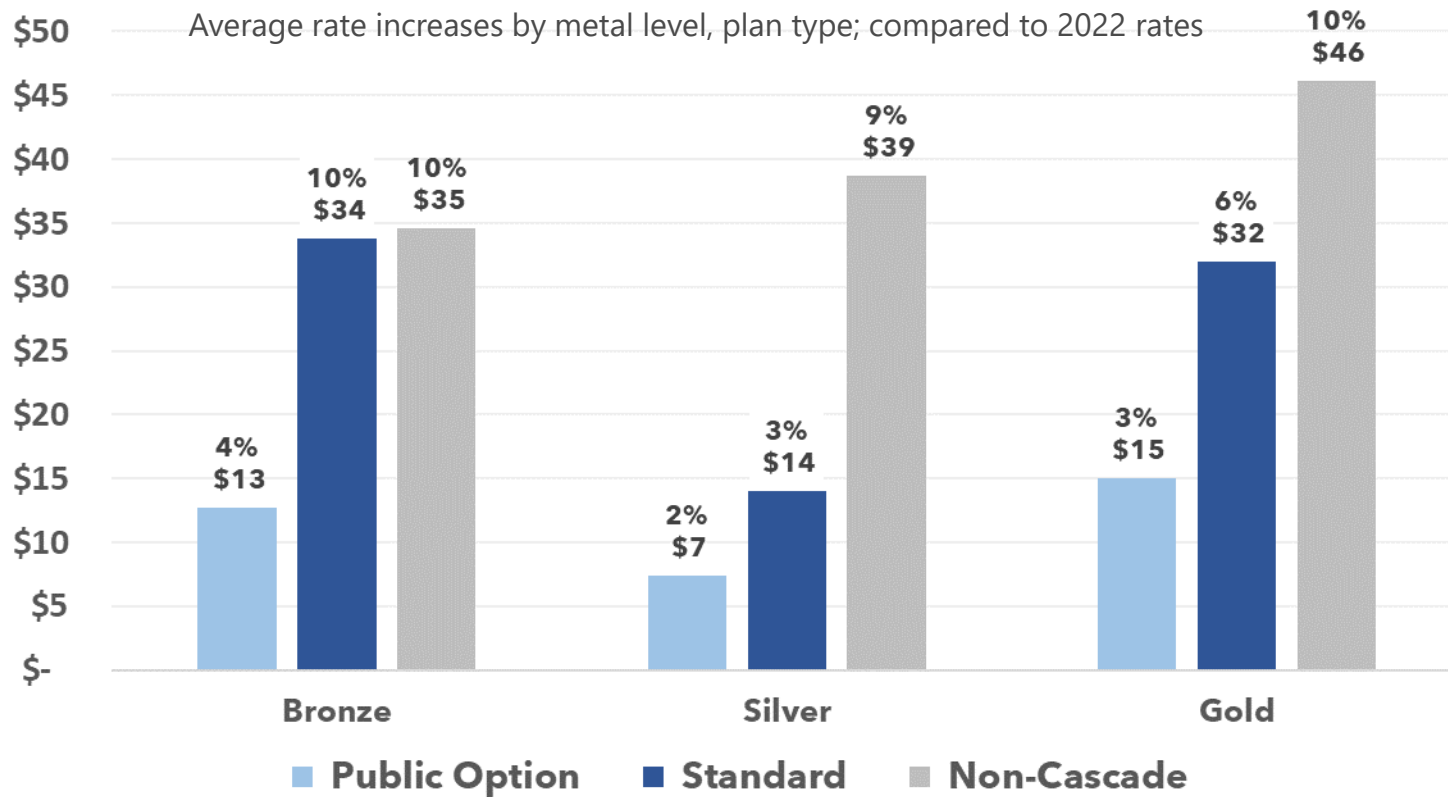
Carrier	Number of 2022 Public Option Enrollees
CHNW	3,002
UnitedHealthcare of OR	2,620
LifeWise	463
Coordinated Care	295
BridgeSpan	122

Proposed Public Option Rates More Competitive Than Previous Years

- Public option plans are projected to be the lowest-cost plan in more counties than in 2022, but still not offering meaningful premium reduction.
- Public option are lowest-cost plans because non-Cascade plans became more expensive.

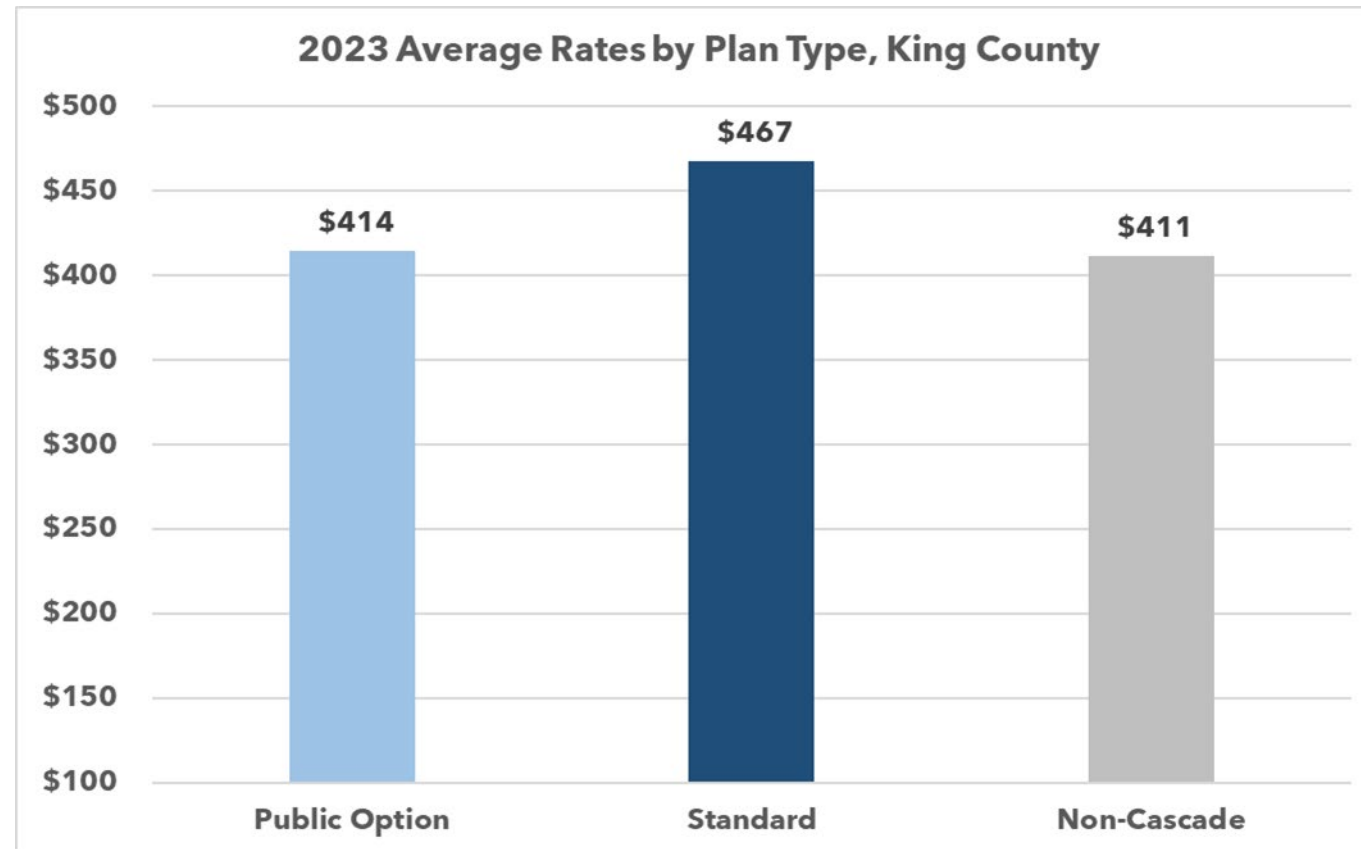
Public Option Lowest Cost	2022	2023
Bronze	14 counties	29 counties
Silver	13 counties	28 counties
Gold	8 counties	2 counties

Public Option Plans have Lower Rate Increases in 2023 Compared to Non-Cascade Plans



Proposed Cascade Care rates continue to fall short on goal of meaningful premium reduction in a market where consumers are facing sizeable rate increases.

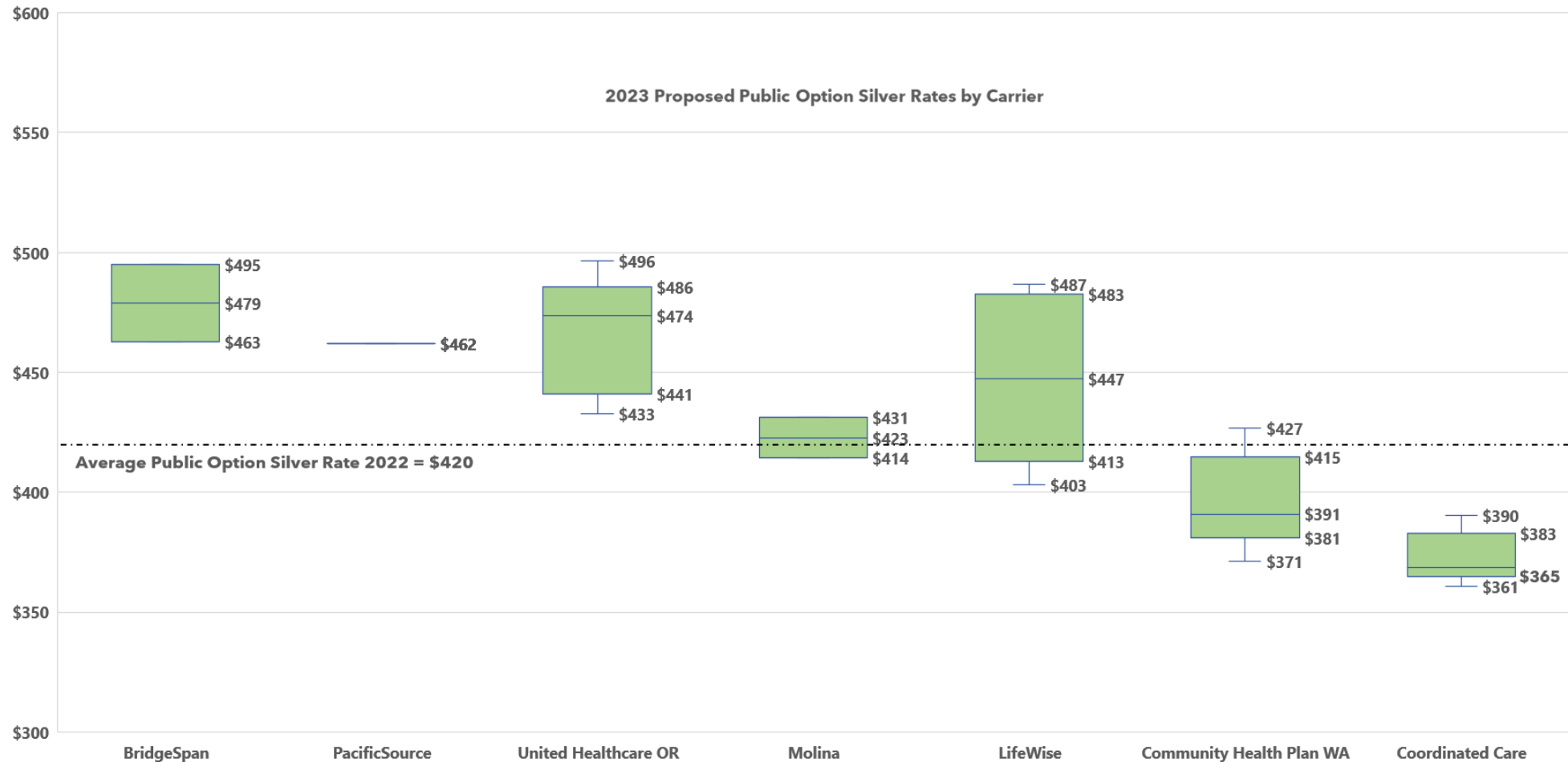
Non-Cascade Plans Continue to Have Lowest Rates, On Average



Rates are for a 40-year-old non-smoker; 2023 rates are proposed rates

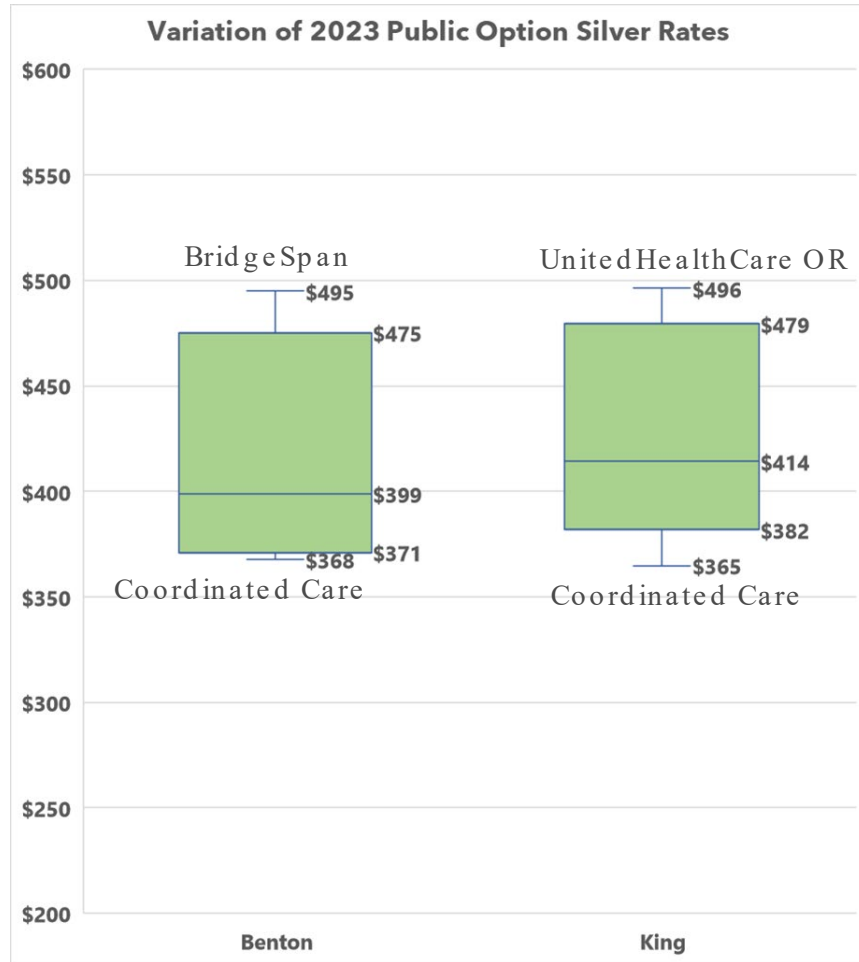
Public Option Rates Vary Widely Carrier to Carrier

Public option proposals risk continued crowding of the individual market without affordability gains



Rates are for a 40-year-old non-smoker; 2023 rates are proposed rates

Public Option Rates Within a County Vary Widely



- \$100+/month difference in public option proposed premiums for same benefit design, same AV, in same county.
- Consumers cannot count on public option plans guaranteeing affordability.

Public Option Proposals Present Risks & Opportunities

HBE Analysis of Proposed Public Option Rates & Availability

- Seven carriers proposed public option plans.
- Proposals risk continued crowding of the individual market without affordability or market competition gains.
- HCA competitive procurement underway.
- If carefully selected, public option could achieve substantial gains in market competition, county coverage, and affordability improvements.
 - Public option available in 34 counties, up from 25 in 2022.
 - Public option rates would be lowest-premium silver plans in 25 counties, up from 13 in 2022.
 - The public option silver plan premium in one county would meet the meaningfully lower premium goal.
 - Public option carrier competition would be significantly enhanced.
 - Public option provider participation requirements would be more meaningful.
 - Differentiation of public option much clearer, with pathway to lower premiums and statewide availability.

Snapshot of Public Option Proposals

Proposed Public Option Carrier	Advancement Toward Affordability Goals	Advancement Toward Statewide Availability Goals
Coordinated Care	<ul style="list-style-type: none"> Public option plan is lowest-cost silver plan in 13 counties. Average silver public option rates are 6% lower than average lowest-cost silver QHP rates. 	<ul style="list-style-type: none"> Proposing public option plans in 14 counties. Only proposed public option plan in one county.
Community Health Plan of Washington	<ul style="list-style-type: none"> Public option plan is lowest-cost silver plan in eight counties. Average silver public option rates are the same as the average lowest-cost silver QHP rates. 	<ul style="list-style-type: none"> Proposing public option plans in 20 counties. Only proposed public option plan in three counties.
Lifewise	<ul style="list-style-type: none"> Public option plan is lowest-cost silver plan in four counties. Public option plan in one county meets meaningfully lower premium goal. Average silver public option rates are 14% higher than average lowest-cost silver QHP rates. 	<ul style="list-style-type: none"> Proposing public option plans in 15 counties. Only proposed public option plan in five counties.
PacificSource	<ul style="list-style-type: none"> Public option plan is lowest-cost silver plan in zero counties. Average silver public option rates are 17% higher than average lowest-cost silver QHP rates. 	<ul style="list-style-type: none"> Proposing public option plans in 15 counties. Only proposed public option plan in two counties.
UnitedHealthcare of OR	<ul style="list-style-type: none"> Public option plan is lowest-cost silver plan in two counties. Average silver public option rates are 19% higher than average lowest-cost silver QHP rates. 	<ul style="list-style-type: none"> Proposing public option plans in 10 counties Only proposed public option plan in two counties.
Molina	<ul style="list-style-type: none"> Public option plan is lowest-cost silver plan in one county. Average silver public option rates are 7% higher than average lowest-cost silver QHP rates. 	<ul style="list-style-type: none"> Proposing public option plans in two counties. No unique service area.
BridgeSpan	<ul style="list-style-type: none"> Public option plan is lowest-cost silver plan in zero counties. Average silver public option rates are 23% higher than average lowest-cost silver QHP rates. 	<ul style="list-style-type: none"> Proposing public option plans in three counties. No unique service area.

Today's Continued Discussion

How do we keep our promise to provide affordable access to Exchange customers?

Data Sources and Contributors

Contributors:

- Debjit Nayak
- Margaret Dennis
- Kristin Villas
- Timothy Mayfield
- James Manuel

Data Sources:

- *Washington Healthplanfinder* database
- Plan Filing data from Office of the Insurance Commissioner
- Average rent in King County information from *The Washington Post*



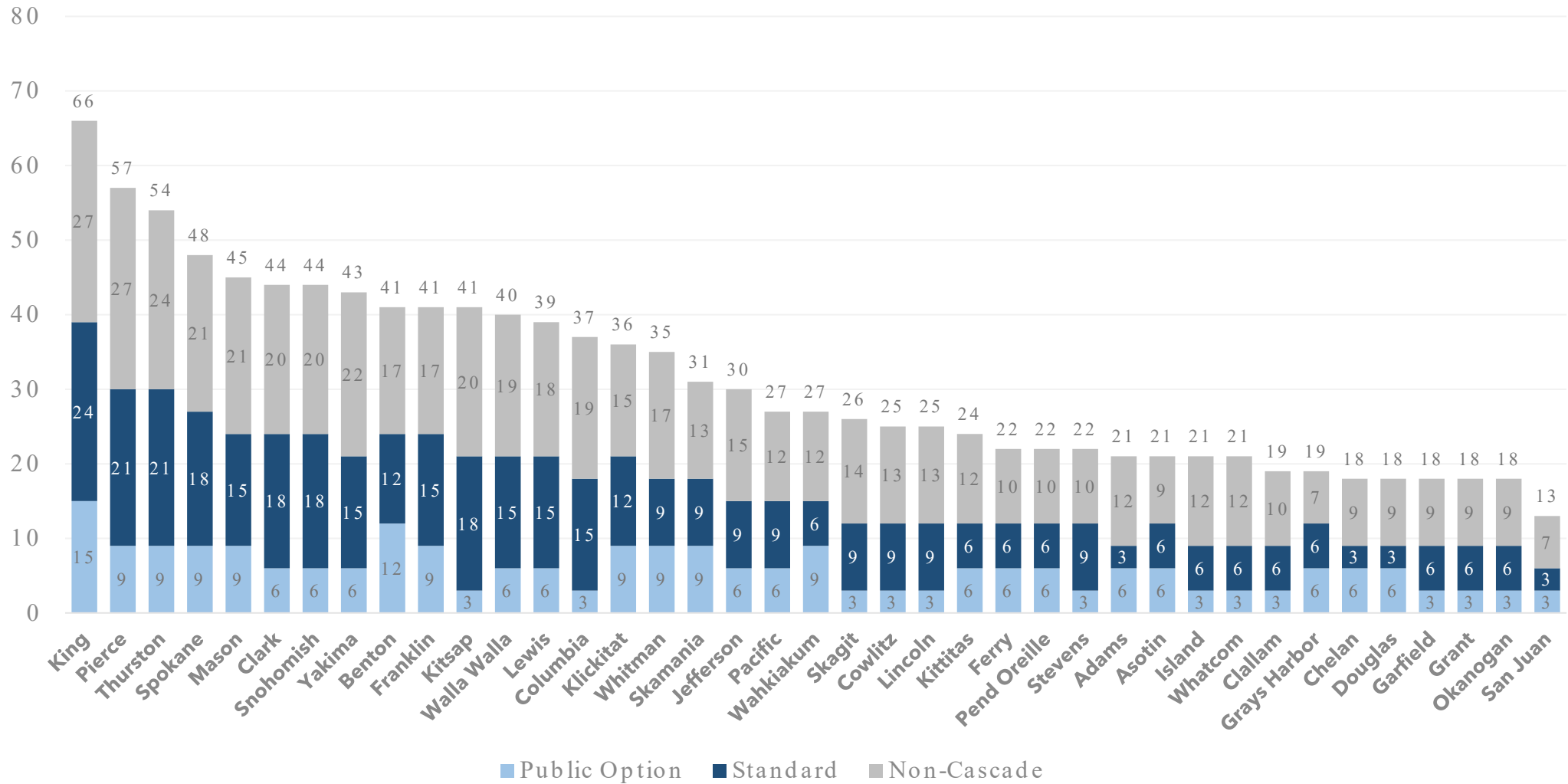
WWW.WAHEALTHPLANFINDER.ORG | WWW.WAHBEXCHANGE.ORG

Appendix

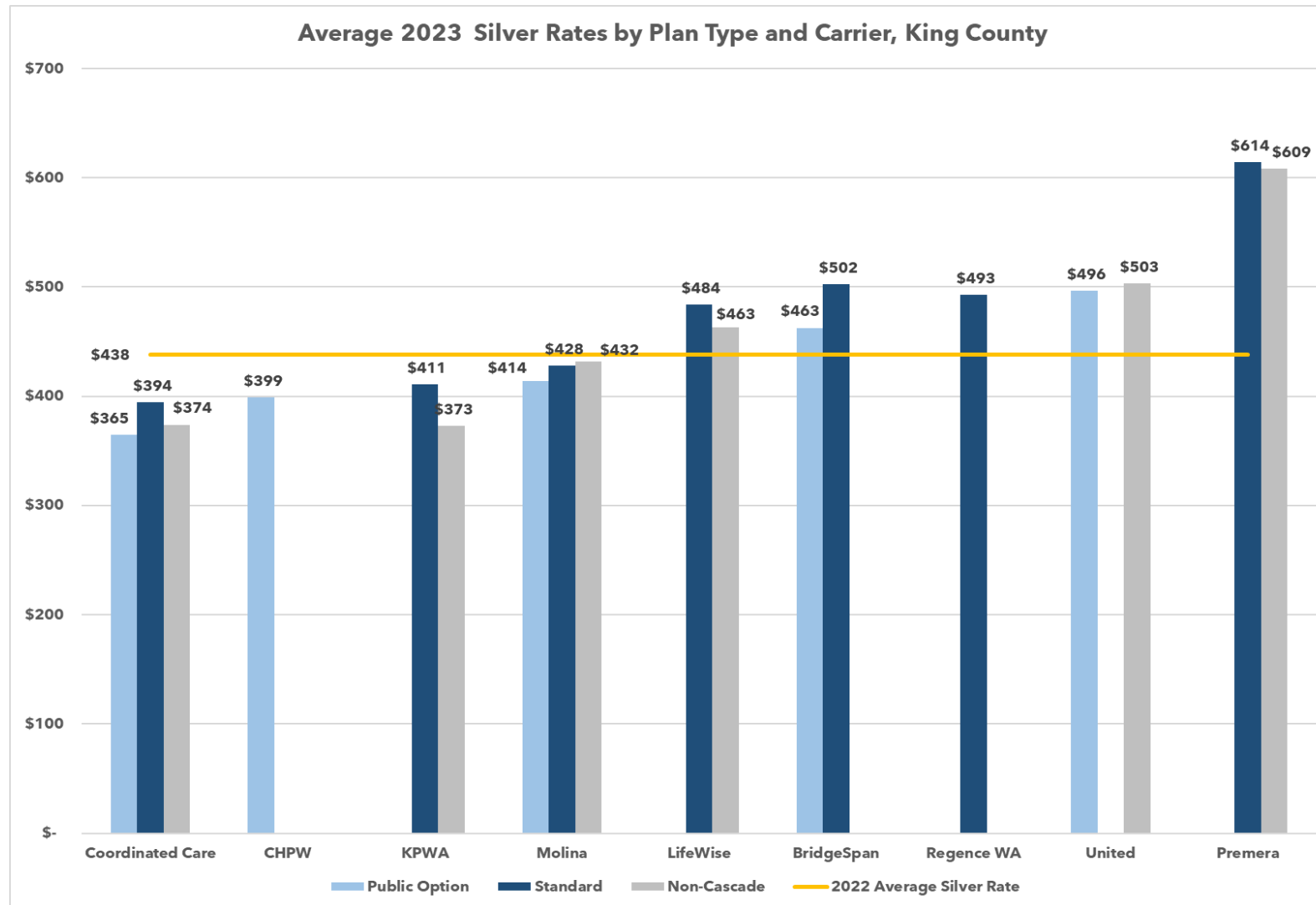
Additional data from plan year 2023 initial filings



Proposed Plans by County; Consumers Face Choice Overload

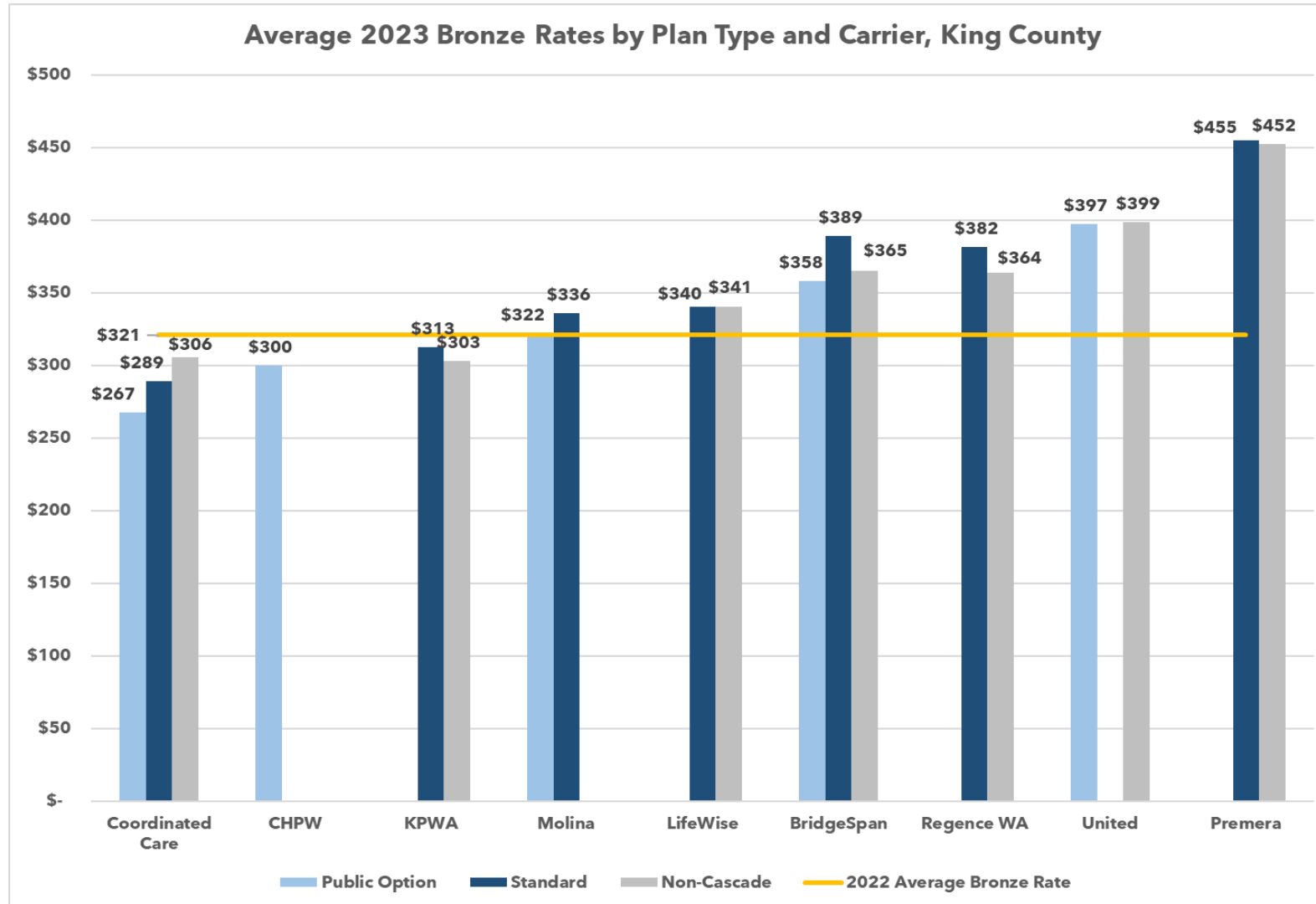


Proposed 2023 Silver Rates, King County



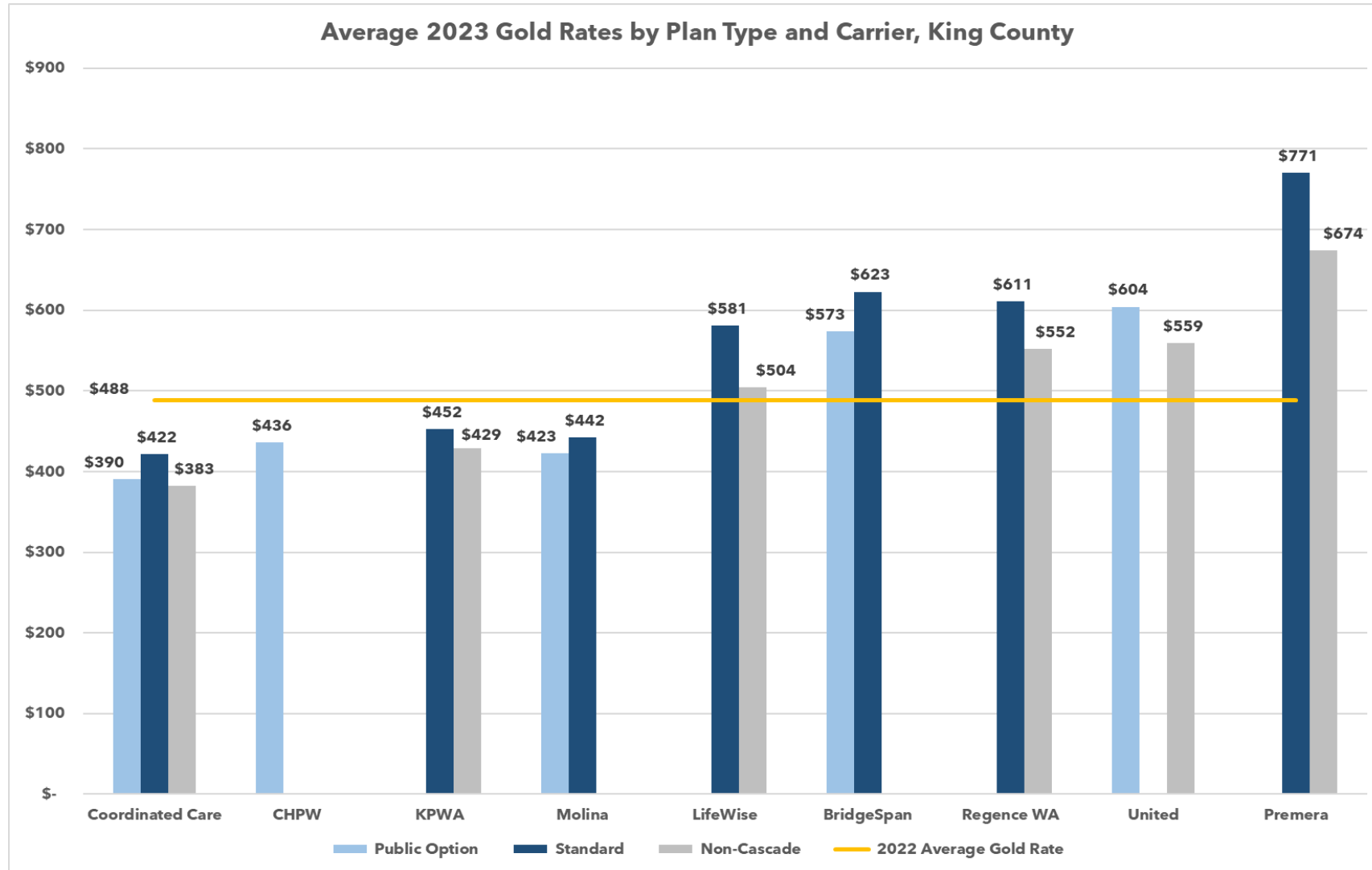
Rates are for a 40-year-old non-smoker; PacificSource, KPNW, and Regence BCBSOR issuers not offered in King County

Proposed 2023 Bronze Rates, King County



Rates are for a 40-year-old non-smoker; PacificSource, KPNW, and Regence BCBSOR issuers not offered in King County

Proposed 2023 Gold Rates, King County



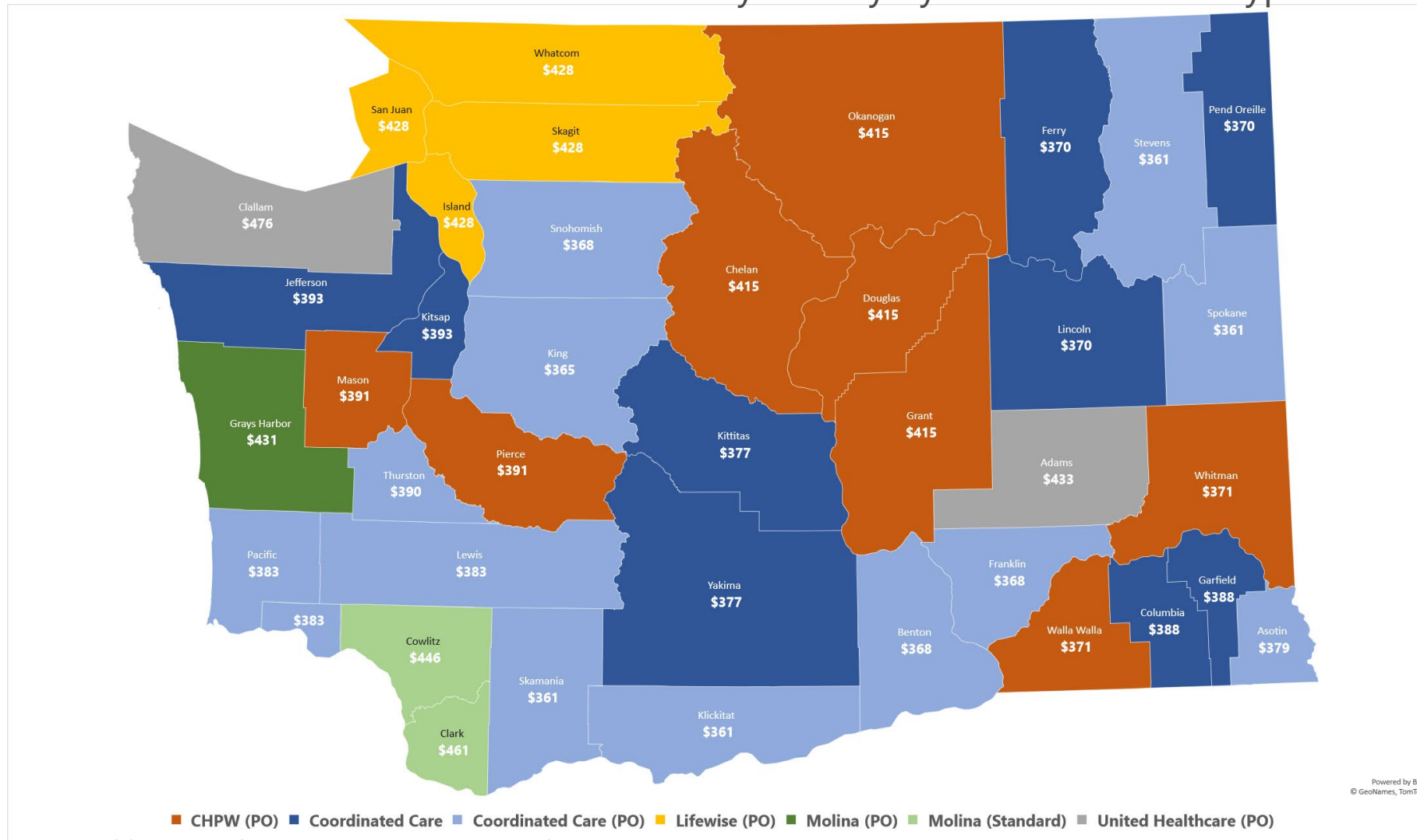
Rates are for a 40-year-old non-smoker; PacificSource, KPNW, and Regence BCBSOR issuers not offered in King County

Snapshot of Public Option Proposals

Proposed Public Option Carrier	Advancement Toward Affordability Goals	Advancement Toward Statewide Availability Goals
Coordinated Care	<ul style="list-style-type: none"> Public option plan is lowest-cost silver plan in 13 counties. Average silver public option rates are 6% lower than average lowest-cost silver QHP rates. 	<ul style="list-style-type: none"> Proposing public option plans in 14 counties. Only proposed public option plan in one county.
Community Health Plan of Washington	<ul style="list-style-type: none"> Public option plan is lowest-cost silver plan in eight counties. Average silver public option rates are the same as the average lowest-cost silver QHP rates. 	<ul style="list-style-type: none"> Proposing public option plans in 20 counties. Only proposed public option plan in three counties.
Lifewise	<ul style="list-style-type: none"> Public option plan is lowest-cost silver plan in four counties. Public option plan in one county meets meaningfully lower premium goal. Average silver public option rates are 14% higher than average lowest-cost silver QHP rates. 	<ul style="list-style-type: none"> Proposing public option plans in 15 counties. Only proposed public option plan in five counties.
PacificSource	<ul style="list-style-type: none"> Public option plan is lowest-cost silver plan in zero counties. Average silver public option rates are 17% higher than average lowest-cost silver QHP rates. 	<ul style="list-style-type: none"> Proposing public option plans in 15 counties. Only proposed public option plan in two counties.
UnitedHealthcare of OR	<ul style="list-style-type: none"> Public option plan is lowest-cost silver plan in two counties. Average silver public option rates are 19% higher than average lowest-cost silver QHP rates. 	<ul style="list-style-type: none"> Proposing public option plans in 10 counties Only proposed public option plan in two counties.
Molina	<ul style="list-style-type: none"> Public option plan is lowest-cost silver plan in one county. Average silver public option rates are 7% higher than average lowest-cost silver QHP rates. 	<ul style="list-style-type: none"> Proposing public option plans in two counties. No unique service area.
BridgeSpan	<ul style="list-style-type: none"> Public option plan is lowest-cost silver plan in zero counties. Average silver public option rates are 23% higher than average lowest-cost silver QHP rates. 	<ul style="list-style-type: none"> Proposing public option plans in three counties. No unique service area.

Public Option (PO) Plan is Lowest Cost Silver Plan in 28 Counties; 26 Counties Have Multiple PO issuers

Lowest Cost Silver Plan in Every County by Carrier and Plan Type



Rates are for a 40-year-old non-smoker; 2023 rates are proposed rates

Powered by Bing
© GeoNames, TomTom