

Federal & State Strategy Development

July 24, 2025



Educating vs lobbying lawmakers

Educating	Lobbying
• Provide education on impacts of current or proposed laws	• Advocate for a specific bill to be passed or defeated
• Share research, data, and publications	• Support a specific political party or candidate
• Develop or share analysis or findings	• Ask other people to support or defeat a specific bill - grassroots
• Respond to information requests from lawmakers	• Participate in electoral or campaign organizing

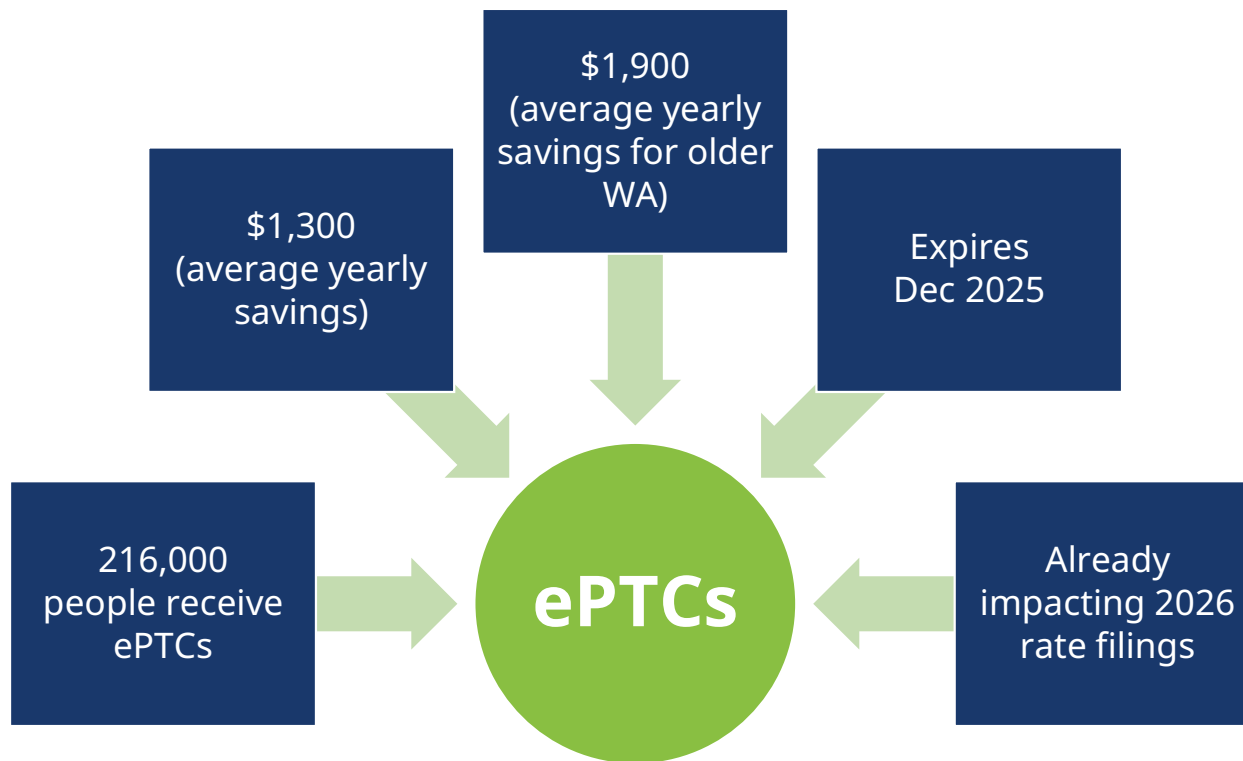
Not lobbying activities

- ▶ Meet a lawmaker to discuss an issue, including impact
- ▶ Talk to the media (but not express views on a specific law or bill)
- ▶ Public education

For more information, please see [Public Disclosure Commission: Guidelines & Restrictions](#) and [RCW 42.17A.635](#)

Federal Strategy Development: Enhanced Premium Tax Credits

Enhanced tax credits – overview & impacts



Estimated ePTCs expiration impact in Washington

- ▶ Enrollment reduction of 80,000
- ▶ Average net premium increases by 65%
- ▶ Loss of \$285M in federal funds (tax credits)

See [impact by congressional district fact sheets](#) for more information

Enhanced tax credits - exercise

Problem

Set to expire at the end of 2025, loss of ePTCs will impact customer affordability and coverage

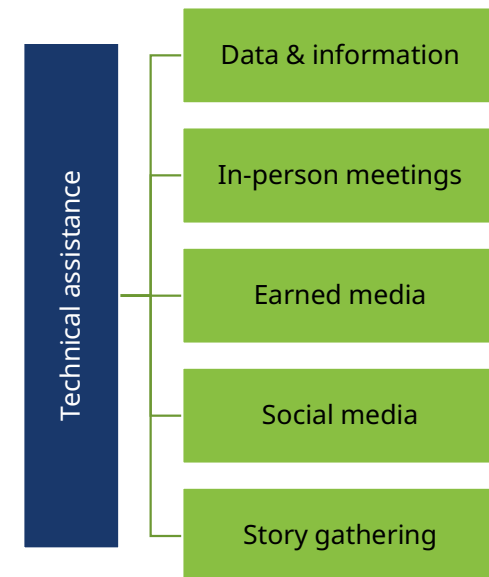
Strategies

Educate Members of Congress in Central and Eastern Washington

Educate Members of Congress in Western Washington


- ▶ What are our messages?
- ▶ Who delivers them? When?
- ▶ How should they be delivered?
- ▶ How to measure success?

Tactics



State Strategy Development: Fiscal & Policy Environment

State revenue forecast – June 2025

	<h2>Summary</h2>
<p>Revenue Review June 24, 2025 Slide 27</p>	<ul style="list-style-type: none">• U.S. & WA economies are slowing, and future risk is elevated due to current policy changes• Impacts of tariffs, federal employment/funding, geopolitical conflict and lower spending & higher inflation/interest rates, pose risks to the forecast• Revenues are up significantly due to legislative changes but partially offset by economic changes.• Without the non-economic increases, forecasted GF-S revenue would have increased \$70 million in the current biennium but decreased by \$446 million and \$564 million in the next two biennia respectively.• Total state revenues are expected to grow 3.7% between the 2021-23 and 2023-25 biennia and 11.3% between the 2023-25 and 2025-27 biennia <p>WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL</p>

State budget outlook and reserves

- ▶ Legislature raised significant revenue to balance the 2025-27 state operating budget
- ▶ Economic factors reduced June state revenue forecast by combined **\$721 million** (NGFS) over the next four years
- ▶ Forecast reduces 2025-27 undesignated NFGS reserve to **\$33.0 million** (0.04% of biennial appropriations)
- ▶ Budget Stabilization Account (Rainy Day Fund) reserve remains **\$2 billion**. (BSA reserve is 2.6% of biennial appropriations)

Federal budget pressures on state budgets

- ▶ There will be pressure on states to try to backfill some federal reductions
- ▶ States do not have the fiscal capacity to backfill large federal reductions
 - ▶ Estimated Medicaid funding loss averaging **\$3 billion** per year over 10 years
 - ▶ **\$285 million** lost federal funds if Enhanced Premium Tax Credits are not authorized for Plan Year 2026
 - ▶ New state matching requirements for SNAP food assistance could cost Washington **\$100 - 300 million** per year beginning in FY28 (DSHS)

Potential 2026 supplemental budget requests

▶ HBE is focusing on

- ▶ Maintaining current activities
- ▶ Stabilizing the state subsidy program
- ▶ Responding to federal ACA changes that are impacting both Apple Health and the individual market; and state initiatives for the current biennium

▶ Potential budget requests

- ▶ Maintaining Cascade Care Savings beyond plan year 2026
- ▶ Customer Support Center (CSC) post procurement transition in costs for a new vendor
- ▶ Lead Organization M&O Increase
- ▶ Working with HCA and DSHS on Non-MAGI to align strategies and timing
- ▶ Implementing changes related to the federal reconciliation bill
- ▶ Potential cost-allocation fund shifts

Anticipated bills and issues

Oversight on health care mergers and affiliations

Limit the corporate practice of medicine

Funding health insurance premium assistance

Affordability / cost containment

Responding to federal actions



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