



Washington State Affordability Initiatives

Exchange Board Policy Committee

May 14, 2024

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Today's Discussion

To advance customer affordability and access, **underlying costs of care must be addressed.**

Activities of Focus Today

- Health Care Cost Transparency – New Data
- State Affordability Priorities – Exchange Intersections



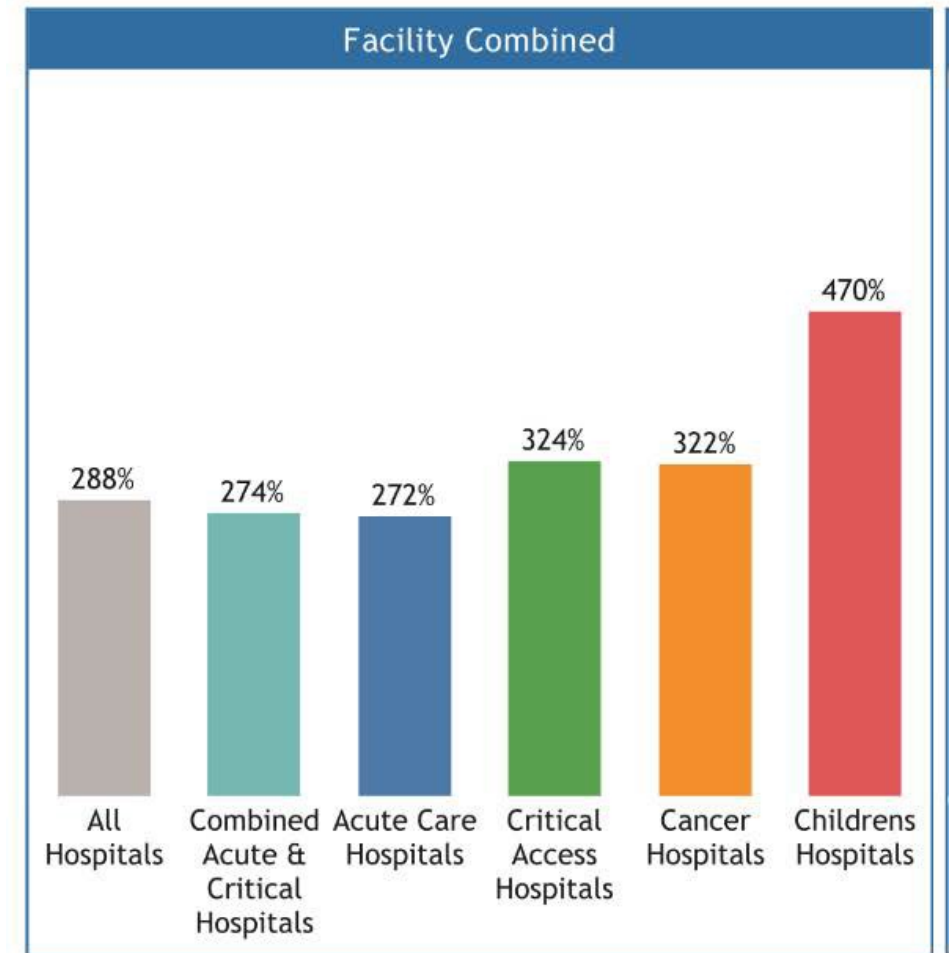
Exchange Affordability Action Plan

1. Cascade Care – a primary affordability initiative
2. Partner on price transparency and value
3. Maintain & maximize state and federal subsidies
4. Leverage Exchange authority



Hospital Price Transparency Reports Released

- Washington Health Alliance report finds that average Washington hospital prices are 288% of what Medicare pays.*
- Poses the question: Are we paying too much?
 - 2022 median commercial break-even reimbursement for hospitals: 129% of Medicare**
- RAND hospital price report released this week.
 - Exchange-specific report expected within a month



*Source: Washington Health Alliance "[Statewide Hospital Price Level Variation.](#)"

**Source: NASHP Hospital Cost Tool; 2022. <https://tool.nashp.org>

State Affordability Priorities in 2024

2023 reports provided affordability landscape

Business | Health | Local News | Local Politics

Health costs are soaring in WA. Here's what may be behind that climb

Dec. 12, 2023 at 6:00 am | Updated Dec. 12, 2023 at 7:00 am



Dec 1, 2023

Washington Health Benefit Exchange: 2023 Legislative Reports Summary

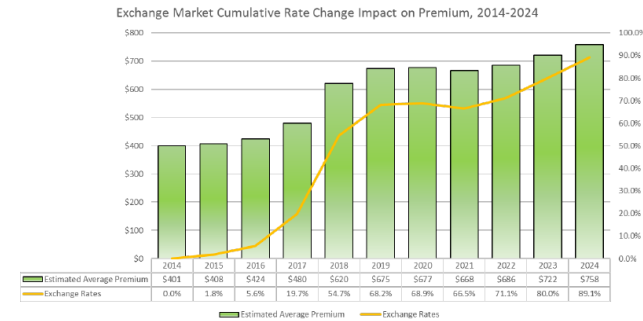
Washington Health Benefit Exchange (Exchange) was directed by the Legislature to examine key components of Cascade Care – a program established by the Legislature to help make health insurance accessible and affordable for Exchange customers.

Approximately 220,000 Washingtonians – those who are over-income for Medicaid, not yet eligible for Medicare, and unable to purchase health insurance through an employer – purchase commercial coverage (qualified health plans, or QHPs) through the Exchange. Cascade Care includes three main components:



Dec 1, 2023

Over the past 10 years, Exchange premiums have increased nearly 90%



ire plans) have the same benefits and cost-
company, making it easier for customers to make
ns also lower customer costs, so they pay less at

e Select plans) are standard plans selected by
the most affordable QHPs for Washington
ans must meet higher quality standards and state-
cluding hospitals and doctors.

ire Savings) lower customer premiums through
ne customers can get Cascade Care Silver or

he impact of offering only standard plans through
opportunities presented by the first-in-the-nation

2023 legislative reports indicate:

provide a better customer experience with minimal

rdability and enrollment does not materially impact

to lower public option premiums by 10% could
ly in federal pass-through funding to support

mers are disproportionately impacted by the rising
crease, so do customers' out-of-pocket costs and

2023 Cascade Care Reports Summary: Three Legislative Directives

REPORT #1: Analyzes the customer impacts of offering only standard plans through the Exchange. Two-thirds of Exchange customers are currently enrolled in standard plans. These high-quality, low-cost plans, first offered in 2021, offer easily comparable benefits that help customers maximize available federal and state savings. Since introduction of standard plans in Washington, additional states and the federal marketplace have taken steps to pursue this approach.

- **Main findings:** Moving toward a standardized market could provide better customer experience with minimal market disruption.
- Because standard plans are easily comparable and offer lower out-of-pocket costs, offering these plans exclusively could improve the customer experience of obtaining insurance coverage. Limiting the number of non-standard plans would build on previous

[Exchange reports summary](#)

OIC Affordability Report Priorities

- Phase 2 of OIC affordability report will model a subset of the policy options outlined in phase 1 of the report.
- Final report due August 1, 2024



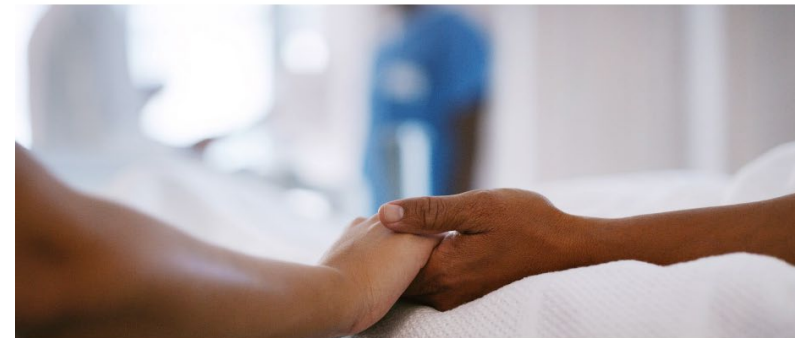
WWW.HEALTHMANAGEMENT.COM

WA OIC Preliminary Report on Health Care Affordability

November 29, 2023

Prepared By
Health Management Associates

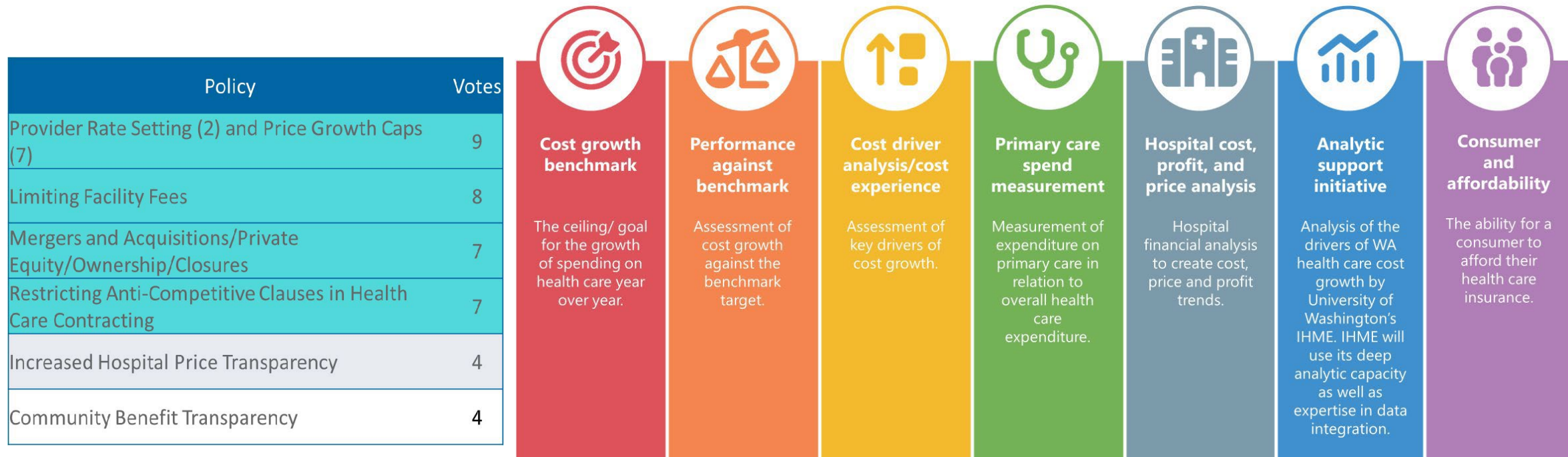
With an Introduction From
The Office of the Insurance Commissioner



<https://www.insurance.wa.gov/media/11848>

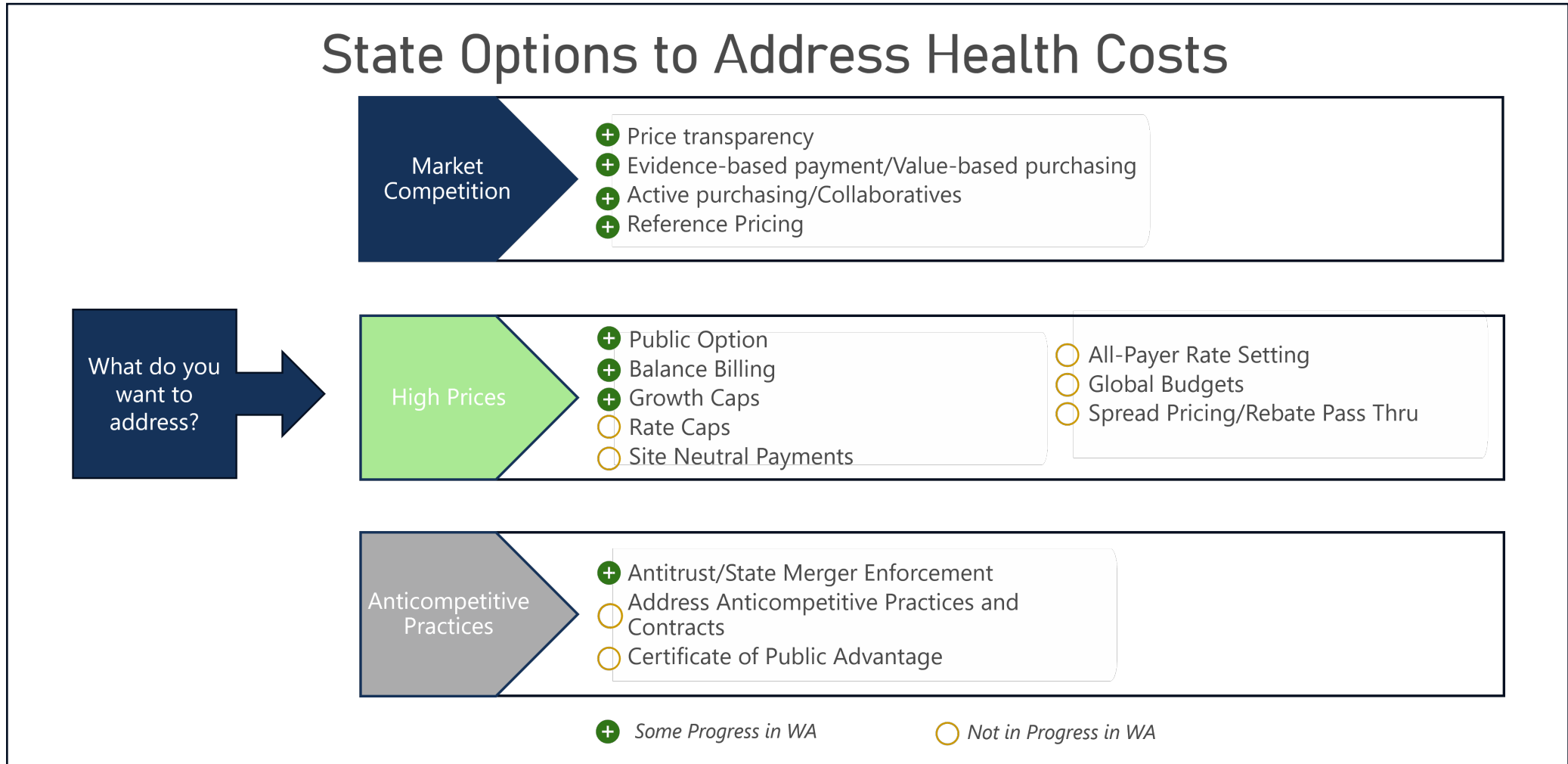
State Cost Board Priorities

Health Care Cost Transparency Board prioritized policies for 2024 analysis



State Affordability Priorities in 2024

Common priorities explore controlling high prices & anticompetitive practices



Discussion

Positioning Exchange
affordability priorities for
2025 and beyond

