

UPDATE AND DISCUSSION

Sharpening Cascade Care tools



Today's discussion

Sharpening Cascade Care tools



Standard plans



Public option



State subsidy



Market standardization – Board discussion summary

Standard plan legislation

- *Continue effort to standardize market*

Market shelf

- *Improve Healthplanfinder shelf, customer support tools, and customer insurance transitions*

Health care delivery standards

- *Go beyond standardizing benefits to standardizing front- and back-end care experiences*



Sharpening Cascade Care tools: Standard plans



Standard Plans Opportunity:

- **Three out of four** Exchange customers enrolled in standard plans today.
- **Variation** in plan offerings is confusing and overwhelming.
- **Differentiate** plans based on what matters most to customers: premium, network, quality, customer service.



Standard Plans Options:

1. Standard plans only at Silver and limit non-standard to one each at other metal levels**
2. Phased approach to only standard plans, starting with Silver***
3. Only standard plans; Exchange designs two standard plans at each metal level

Authority:
Statutory change required

Next steps:

- ▶ Stakeholder engagement
- ▶ Exchange legislative priorities preview at December Board meeting

Aligned with [ESHB 2361](#) *Aligned with [HB 2361/SB 6258](#)



Cost containment – Board discussion summary

Data maturity and transparency

- *We cannot contain what we cannot measure*

Reference pricing

- *Use public option as an innovation lab to reduce costs*

Payment reform

- *Set common expectation to pay for outcomes while mitigating provider administrative burden*



Sharpening Cascade Care tools: Public option



Public Option Opportunity:

- Public option **statewide** in 2025.
- Customers experience **access barriers**.
- Current policies not resulting in meaningfully **lower premiums**.
- Drive **healthy competition** on price and quality.



Public Option Proposal:

1. Strengthen provider participation:
 - All public option plans offering good faith contract
 - Hospital systems
2. Add targeted pricing caps:
 - Hospital inpatient/outpatient cap
 - Behavioral health floor

Authority:

Statutory change required

Next steps:

- ▶ Stakeholder engagement
- ▶ Exchange legislative priorities preview at December Board meeting



State subsidy – Board discussion summary

Equity

- *Prioritize directing subsidy toward most vulnerable populations*

Stewardship of state investment

- *Incentivize carrier behavior through reward of state subsidy*

Environment of scarce funds

- *Develop best positioning to adapt to ambiguous subsidy landscape*



Sharpening Cascade Care tools: State subsidy



State Subsidy Opportunity:

- ▶ More than **100,000** low-income customers reduce monthly premiums with Cascade Care Savings.
- ▶ As **rates increase**, subsidies cannot stretch as far.
- ▶ **Target** subsidies to customers who need them to get and stay covered.



State Subsidy Options*:

1. Limit plans eligible
 - Based on affordability
 - Based on quality
2. Refine metal level eligibility
3. Increase eligibility to 300% FPL
4. Encourage full use of available federal subsidy

Authority:
Exchange policy

Next steps:
Multiple rounds of feedback before March policy finalization

*2025 [Policy](#); Options proposed for 2026

Cascade Care

Cascade Care makes health insurance accessible and affordable for every *Washington Healthplanfinder* customer.



- Lower premiums
- Higher quality benefits
- Lower copays
- Easier plan shopping
- Available in all counties
- Extra savings for those who qualify

Next steps

- Sharpening Cascade Care tools
- Positioning for the future



Appendix

Background & reference materials:

- Why Cascade Care tools need sharpening

Why Cascade Care tools need sharpening

- Subsidies cannot keep pace with premium increases.
- Customers face choice overload due to variation in plan options.
- Underlying costs of care and access to affordable health care must be addressed.

State Subsidy Cannot Keep Pace with Increasing Rates


- Cascade Care Savings lowers premiums for more than 100,000 customers in 2024.
- Carrier premium increases are the primary driver of changes to customer monthly subsidy level.
- Setting maximum monthly amounts annually is currently only lever to manage budget.

	2024 Best Estimate	2025 Best Estimate With Draft 2025 Rates	Change
Source Tab:	[1]	[2]	[2]-[1]
<u>CCS Maximum Subsidy:</u>			
Group 1	\$155	\$155	
Group 2/3	\$250	\$250	
<u>Enrollment:</u>			
Group 1	95,580	101,900	6,320
Group 2	4,210	5,270	1,060
Group 3	1,130	2,060	930
Total Exchange Enrollment	262,290	266,090	3,800
<u>CCS Expenditures (in millions):</u>			
Group 1	\$42.1	\$44.2	\$2.1
Group 2	\$12.6	\$15.7	\$3.1
Group 3	\$3.4	\$6.2	\$2.8
Total	\$58.1	\$66.1	\$8.0

Illustrative example from 2025 draft methodology: Maintaining customer maximum monthly subsidies from 2024 to 2025 requires \$8M more, driven by 2025 rate increases.

Group 1: federally subsidized customers; Groups 2/3: non-federally subsidized customers, including IHC

On the surface: The front door of three silver plans



**Molina
Non-Standard
Premium: \$490**

- \$0 Medical/\$900 Drug Deductible
- \$30 PCP Visit
- \$27 Generic drugs

**Standard Silver
Premium*:
\$505/\$453***

- \$2,500 Deductible
- First two PCP visits \$1, then \$30
- \$25 Generic Drugs

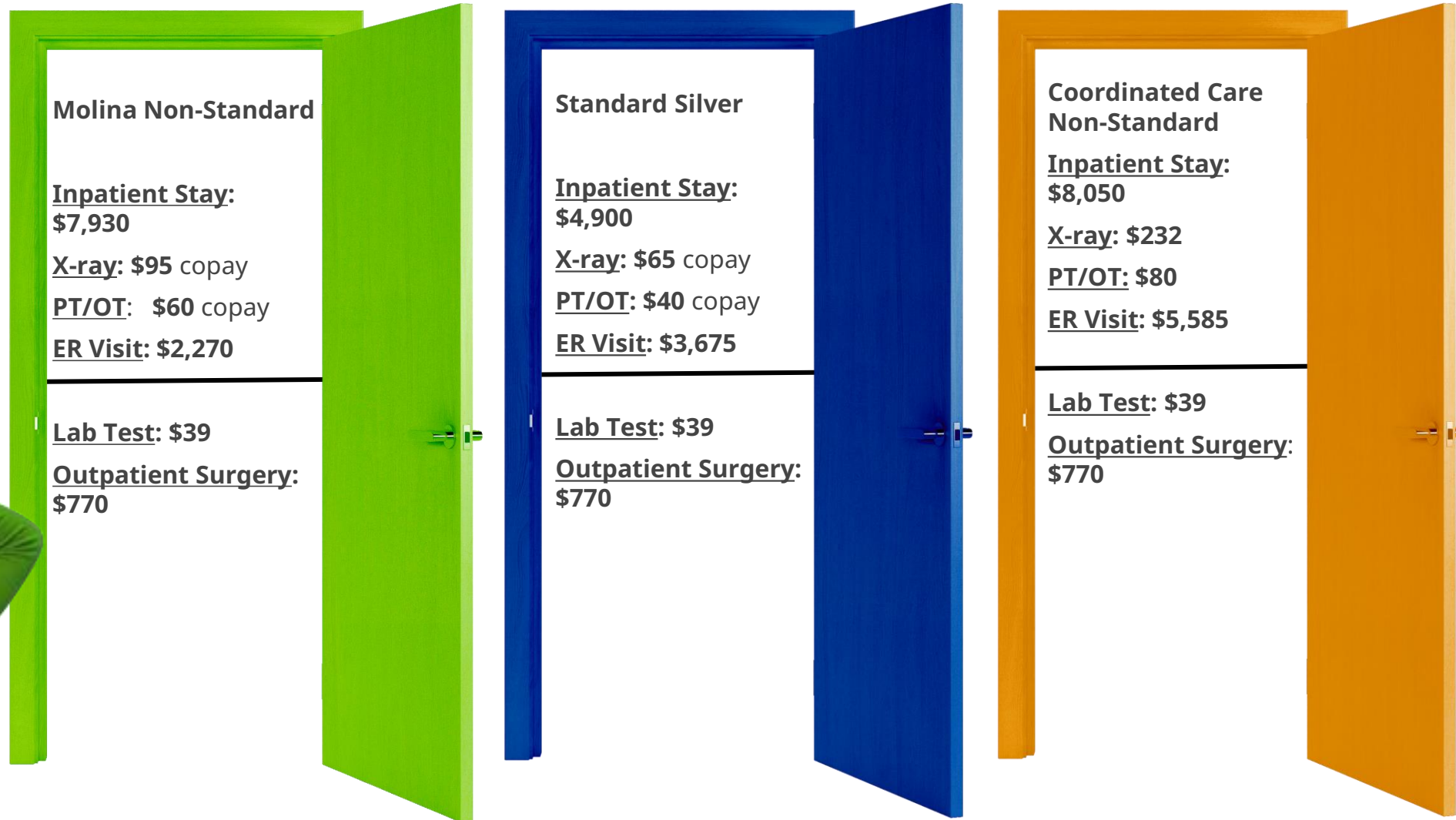
**Coordinated
Care Non-Standard
Premium: \$429**

- \$8,050 Deductible
- \$30 PCP visit
- \$15 Generic drugs

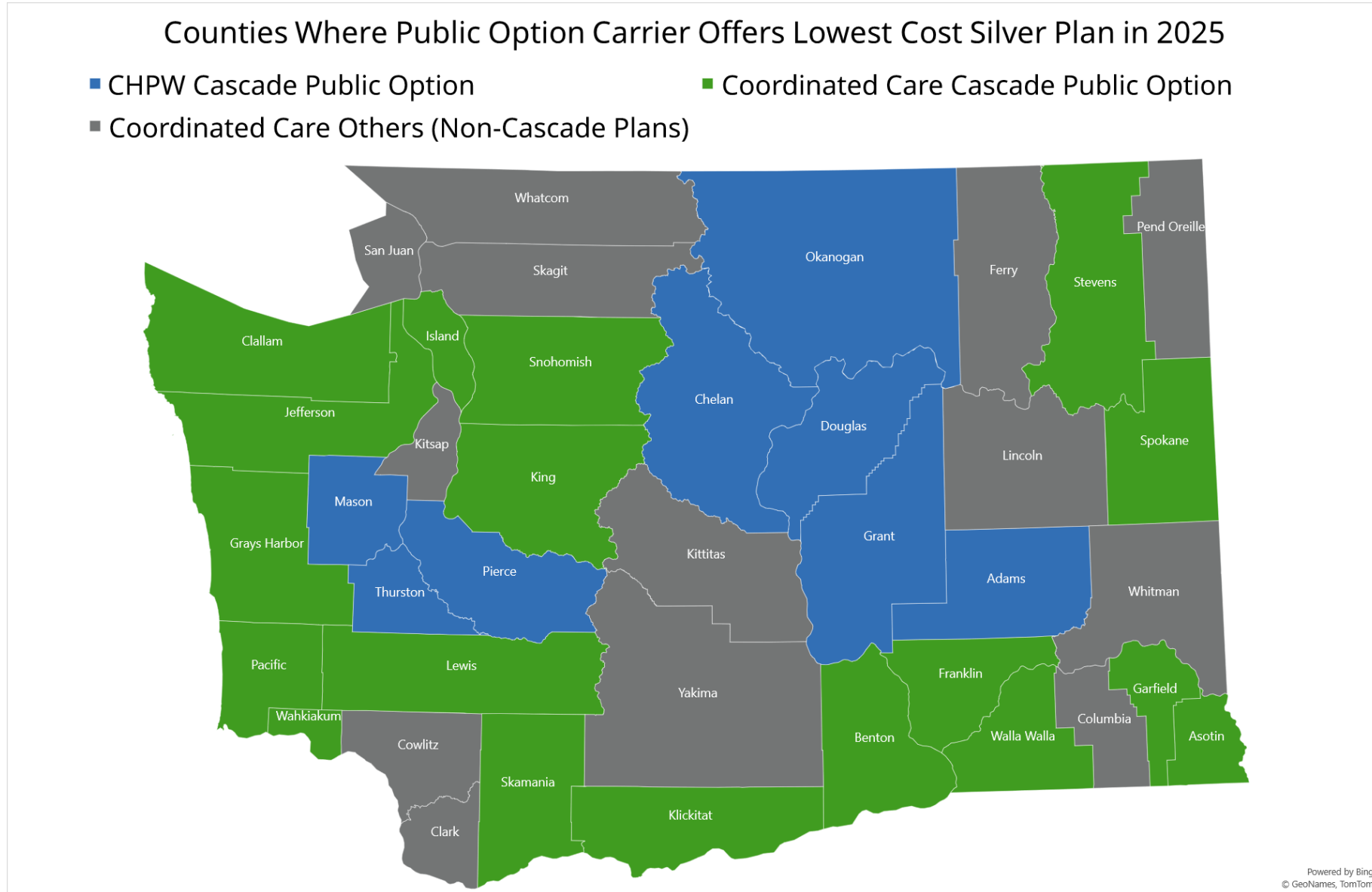
*Molina Cascade Silver Premium/Coordinated Care Cascade Silver Premium
All premiums are average rate for a 40-year-old non-smoker.

Below the surface: benefit designs are confusing

Costs of care vary based on coinsurance, co-pays and deductibles and make comparing plans nearly impossible



Public option lowest premiums in 26 counties, down from 31 in 2024





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