

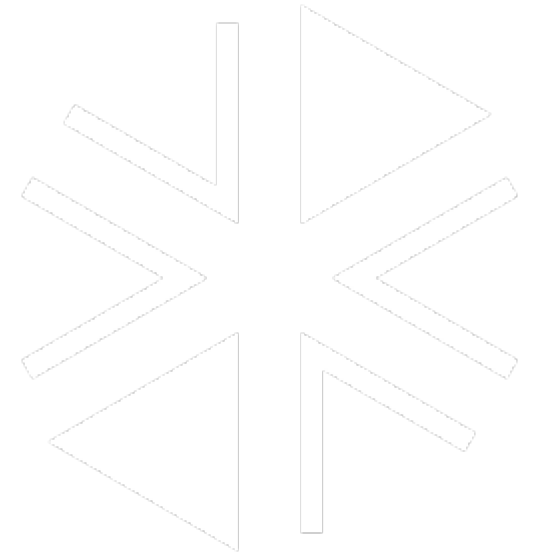


Proposed 2025 Carrier Assessments

Exchange Board

March 28, 2024

Jim Crawford, Chief Financial Officer



2024 Supplemental Conference Budget

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	

What is the Carrier Assessment?

- RCW 43.71.080 authorizes a user fee on carriers who offer plans on the Exchange in an amount necessary to fund the operations of the Exchange
- The Carrier Assessment is a per member per month (PMPM) user fee charged to all carriers based on enrollees in plans qualified health plans and stand-alone dental plans sold on the Exchange
- The level of the carrier assessment is established annually by the Exchange Board of Directors
 - Sufficient to fund Exchange operations at the level authorized by the Legislature, plus three months of additional operating costs

Carrier Assessment Assumptions

Setting the Carrier Assessment relies on several assumptions:

- Assumes state budget as passed Legislature
- Assumes state revenue forecast
 - QHP enrollment and future premiums to project premium tax revenues
 - Medicaid forecast and cost-sharing

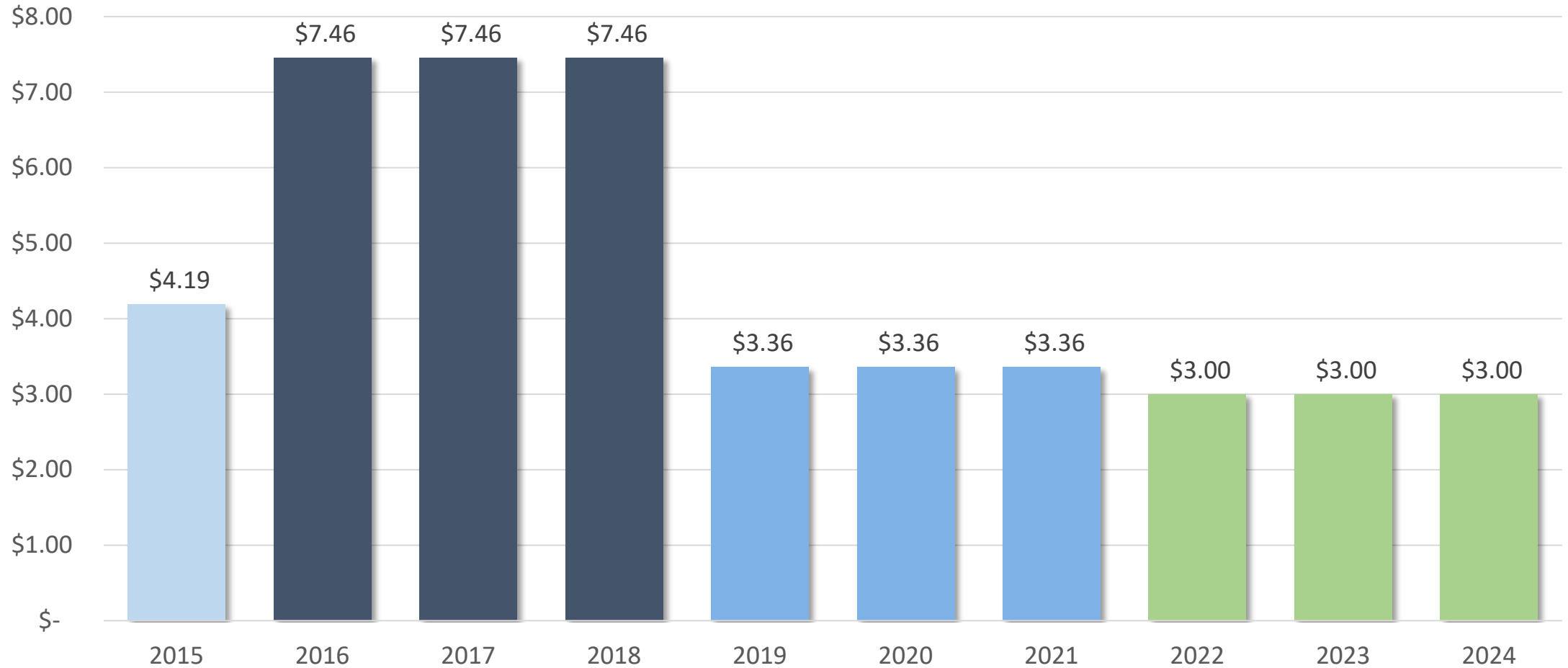
Future Uncertainty—we always know more a year from now

- Setting carrier assessment for Plan Year 2025 does not factor in potential budget growth next biennium
- Enrollment and premium projections are less certain the further out we go
- ARPA tax credit expiration or continuation has major impact on enrollment (2026)
- State subsidy levels for next biennium determined next session

Carrier Assessment Rates



Carrier Assessment History by Plan Year



Calculation of QHP Assessment Rate

Proposed SFY 2025 Operations Appropriation*	\$ 81,532,000	
Fund Sources	Base Forecast	CA rate
General Fund-State	\$ 7,156,000	
Medicaid	\$ 31,624,000	
Premium Tax **	\$ 31,714,000	
Carrier Assessment (Current 2024)	\$ 7,688,000	\$ 3.00
<i>Subtotal Projected Revenues</i>	<i>\$ 78,182,000</i>	
Carrier Assessment Revenue Inc/(Dec) to Support Appropriation	\$ 3,350,000	\$ 1.31
Carrier Assessment Revenue Inc/(Dec) for three-month operating reserve	\$ 2,065,750	\$ 0.80
Proposed 2025 QHP Carrier Assessment Rate		\$ 5.11
*2024 Supplemental Budget as passed Legislature, less premium assistance funds		
**OIC projected premium tax revenue (February forecast)		

Recommendation for Board Adoption



Proposed 2025 Carrier Assessment

Qualified Health Plans

For 2025

- Proposed: \$5.11 per member per month assessment

For 2024

- \$3.00 per member per month assessment

Qualified Dental Plans

For 2025

- Proposed: \$0.94 per member per month assessment

For 2024

- \$0.81 per member per month assessment

Pediatric Dental

For 2025

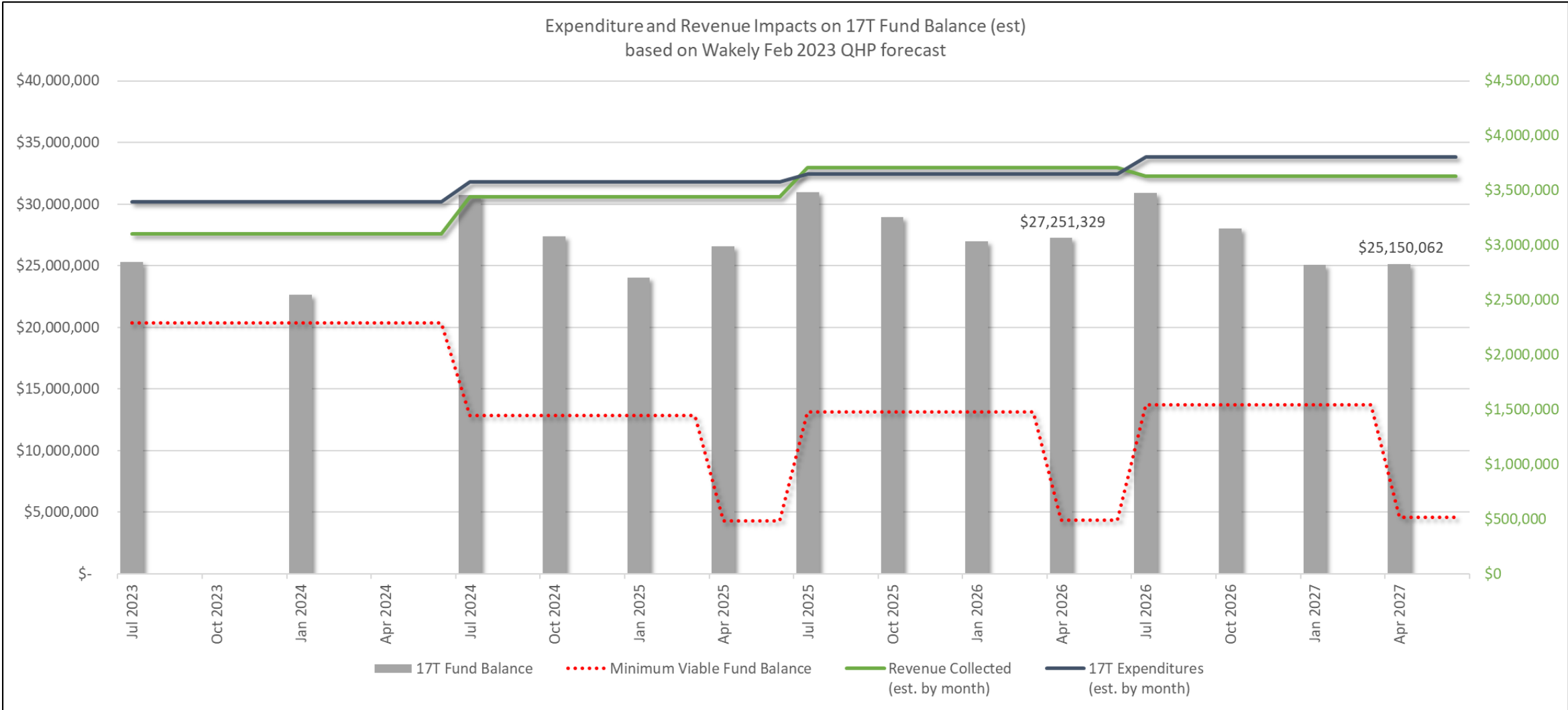
- Proposed: \$0.67 per member per month assessment

For 2024

- \$0.58 per member per month assessment

Appendix

Fund Balance Outlook with the 2025 Carrier Assessment at \$5.11





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