

Federal Response Planning

Exchange Board Meeting

March 27, 2025

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(she/her)*



- ▶ Changes to reduce federal costs
- ▶ Changes impacting equity
- ▶ Changes impacting Exchange operations/market
- ▶ Increased focus on program integrity

FEDERAL CHANGE



1. Potential Changes that Reduce Federal Expenditure

▶ Reduce Exchange tax credits

- ❖ Allow Enhanced Advance Premium Tax Credits (APTC) to Expire
- ▶ Lower APTC

▶ Reduce Exchange Enrollment

- ❖ Verification requirements
- ❖ New electronic checks or added frequency
- ❖ Special Enrollment Period limits – low income, other
- ❖ Open Enrollment timeframe shortened
- ▶ End silver loading
- ▶ Suspend risk adjustment payments

▶ Reduce Medicaid enrollment

- ▶ Work requirements
- ▶ Administrative barriers (rescind MAGI/Non-MAGI alignment rule)

Status of ePTC expiration mitigation strategies



Standardize Silver Loading



Modify Cascade Care Savings



Eliminate Tobacco Rating



Exchange adopted new low actuarial value (AV) standard Gold plan



2026 Guidance for Participation released

2. Potential changes impacting equity

Challenges to WAHBE's Equity Goals:

▶ Immigrant Health Expansion changes

- ▶ Data protections
- ❖ DACA+ Recipients receiving APTC
- ▶ Waiver Revocation

▶ Changes impacting equity initiatives

- ❖ Data collection and reporting changes in quality or other reporting
- ▶ DEI limitations
- ▶ Nondiscrimination (language access; nondiscrimination policies)

▶ Changes to health services coverage

- ❖ Essential Health Benefit changes for reproductive care; end of life care; transgender care
- ▶ Nondiscrimination protections

Immigrant Health Coverage – Alternatives

- ▶ Contingency Guiding principles:
 - ▶ Maintain current 1332 waiver as long as possible
 - ▶ Maintain privacy for IHC customers
 - ▶ Avoid mid-year coverage disruption, if possible
 - ▶ Maintain a coverage pathway and access to state subsidies
- ▶ Alternative Options Explored
 - ▶ Leverage existing off-Exchange plans
 - ▶ **New state only program**
 - ▶ Leverage state-only Medicaid programs



3. Potential Changes to Exchange Operations/Market

- ▶ Restrict administrative fees
- ▶ Restrict marketing
- ▶ Apply tax credits off Exchange/Direct Enrollment
- ▶ Limit employer penalty or changes to employer incentives

4. Potential increased focus on program integrity

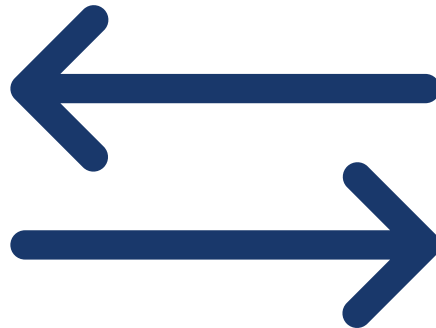
- ▶ **Increase focus on program integrity and audits**
 - ▶ Review for improper payments;
 - ▶ Additional data requests or Audits
 - ❖ Potential Corrective Action Plans
- ▶ **Duplicate Coverage**
 - ▶ Awaiting GAO report
 - ❖ National fraudulent enrollment in \$0 plans (no evidence in WA)
- ▶ **Review of spending**
 - ❖ Allocation; appropriateness; changes to system funding

Marketplace Proposed Program Integrity Rule

Program Integrity:
Reduce fraud and waste

Improve
Affordability:
Improve risk pool

Stated Goal and Purpose



Reduced Enrollment
Increased Premiums
Increased Operational
Cost

No improvement in
program integrity

Expected WA Impact

Proposed Marketplace Integrity Rule

Initial look at changes to eligibility and enrollment

	Proposed Rule Change	Effective Date	HBE Change?
1	Shorten Open Enrollment Period to end December 15th	Plan Year 2026	Y
2	Require verification when attestation of income (when no tax data or tax data is lower)	Upon final rule	Y
3	Remove past due and partial premium payment protections	Upon final rule	?
4	Remove customer tax credit if income tax fails to reconcile	Upon final rule	Y
5	Require Additional Special Enrollment Verification (75% of SEPs)	Plan Year 2026	?
6	Require minimum \$5 premium to re-enroll	Plan year 2027	N
7	Remove monthly special enrollment for low income customers	Plan year 2026	N
8	Remove extension of time (60 day) for customer response when income does not match.	Upon final rule	N

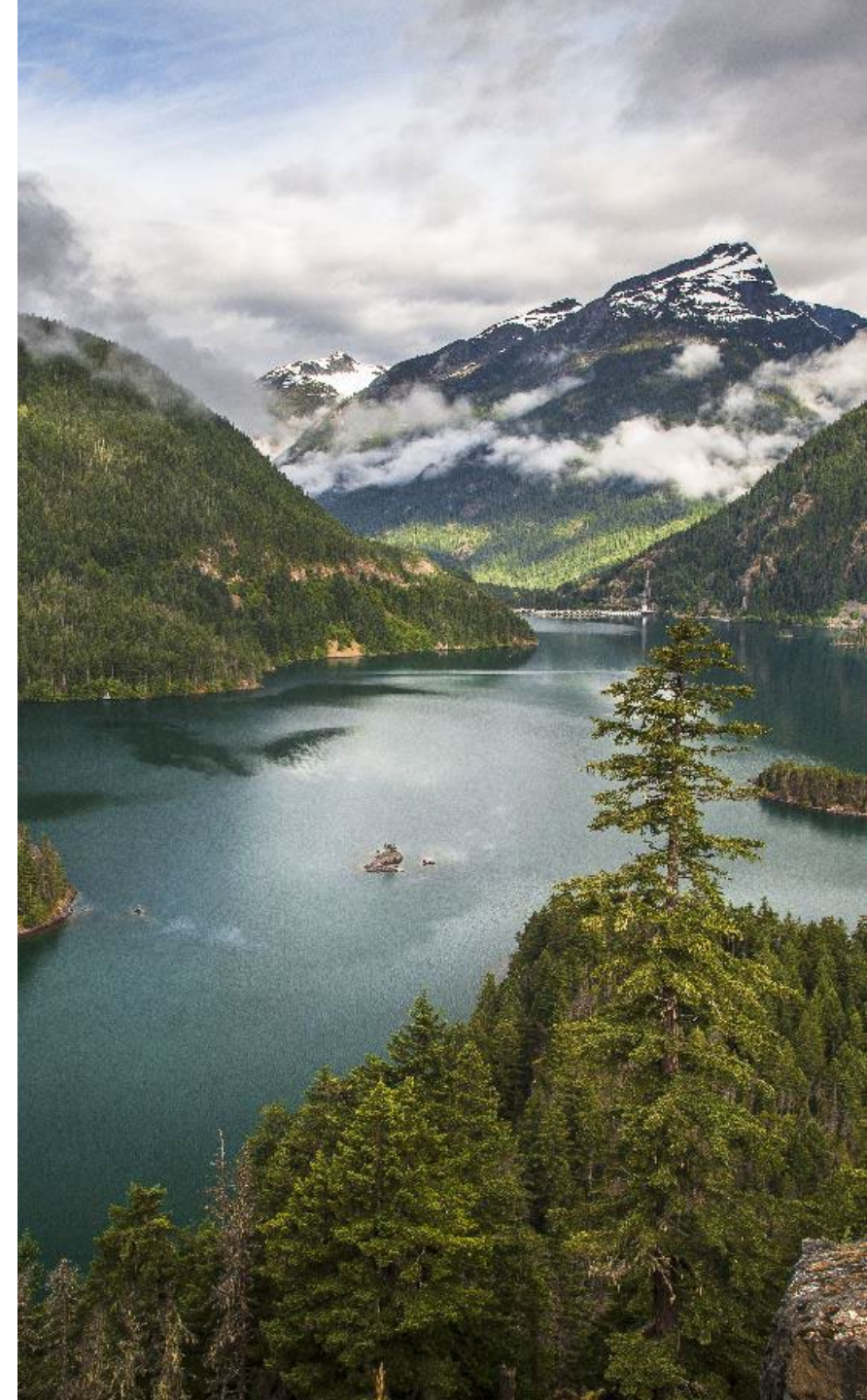
Proposed Marketplace Integrity Rule

Initial look at changes to coverage and benefits

	Proposed Change	Effective Date	HBE Change?
1	Exclude DACA recipients from "lawfully present" definition	Upon final rule	Y
2	Prohibit gender affirming care in essential health benefit	Plan year 2026	Y
3	Change to plans annual inflation method and actuarial value	Plan year 2026	Y
4	Remove ability to cross map customers from bronze to silver	Upon final rule	Y

Potential Federal Changes: Next Steps

1. Contingency planning continues
2. Mitigation where feasible underway
3. Proposed Rule Comments due April 11, 2025
4. Anticipate final rule soon after – May ?
5. Plan and prepare for changes
6. Assess challenges



APPENDIX

Washingtonians face steep premium increases and many will forgo health insurance

The effect of enhanced premium tax credits expiring in Washington state:



72%

Amount net premiums will increase for enhanced premium tax credits recipients.



\$275M

Amount of lost federal funds from enhanced premium tax credits.



80,000

Number of enhanced premium tax credits recipients who will forgo coverage.

Draft Cascade Care Savings Policy

Policy Concept	Reasoning
Refine metal level eligibility	Ensure customers are getting the highest value, lowest cost plan they are eligible for with state CCS investment
Apply CCS to Bronze standard plans for a select population	Ensure there is a more affordable premium option for CCS customers without federal subsidies
Encourage full use of available affordable coverage options to maximize state investment*	Ensure limited state funds support those who need state premium assistance to stay covered
Change premium benchmark calculation to contribution based on FPL	Implementing premium contribution results in savings to CCS annual expenditures

*An exception process will be available for customers with taxable income below the tax filing threshold

Discussion: Supporting 2026 market changes



Plan Mapping



Plan Display &
Shopping Tools



Cascade Care

Potential state program - feasibility analysis underway



- ▶ New program with state only funds
 - ▶ No new funds
- ▶ Program administered by separate organization set up by Exchange
 - ▶ Sets program rules
 - ▶ Contracts with navigators for assistance
 - ▶ Contracts with Exchange for HPF infrastructure; call center services; website; and operational support
- ▶ Customer Experience
 - ▶ Screened for eligibility for all current health programs using Healthplanfinder
 - ▶ Can't self-serve through HPF, can only enroll in QHP through program navigator
 - ▶ Can receive state Cascade Care Saving subsidy if eligible
 - ▶ Can enroll in same plan as other household members