

Federal Response Planning

Exchange Policy Committee

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(she/her)*



- ▶ Marketplace & Medicaid Mandates

- ▶ 1332 Waiver

- ▶ Enhanced Premium Tax Credit Expiration

FEDERAL CHANGE



Immigrant Health Coverage – 1332 Waiver

- ▶ Washington's 1332 waiver allows all Washingtonians, regardless of immigration status, to purchase QHPs & QDPs, and access state subsidies, if applicable.
- ▶ Waiver approved from Jan. 1, 2024 – Dec. 31, 2028, but is subject to ongoing federal approval.
- ▶ Contingency planning underway with agency and community based partners.



Immigrant Health Coverage – 1332 Waiver

- ▶ Contingency planning - 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

Immigrant Health Coverage – 1332 Waiver

- ▶ Exploring potential alternative coverage pathways via Healthplanfinder
 - ▶ Leverage existing off-Exchange plans
 - ▶ **New population specific program**
 - ▶ Leverage state-only Medicaid programs
- ▶ Other activity
 - ▶ Monitoring federal transition and peer state 1332 waiver activities
 - ▶ Exploring additional privacy protections (in partnership with Gov. office, AG's office, agency and community-based partners)
 - ▶ Community-based engagement (fear/uncertainty)
 - ▶ [Website](#) updates

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

Mitigation Strategies ePTC Expiration

Congressional action is needed to keep people covered

Set to expire at the end of 2025, federal ePTCs are critical to ensuring health insurance is accessible and affordable in Washington state.



270,000

Number of residents enrolled in qualified health plans (QHPs).



219,000

Number of QHP enrollees who are eligible for enhanced premium tax credits.



\$1,300

Average yearly decrease in premium costs with enhanced premium tax credits.



\$1,900

Average yearly decrease in premium costs for 55- to 64-year-old residents with enhanced premium tax credits.

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.

Status of 5 ePTC expiration mitigation strategies



Standardize Silver Loading



Modify Cascade Care Savings



Eliminate Tobacco Rating



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




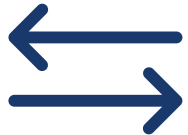

2026 Guidance for Participation released








Standard silver loading results in more APTC for WA customers

- ▶ Maximizing silver loading would result in higher Silver premiums and lower Bronze and Gold premiums, across the Exchange
 - ▶ Gold premiums would be lower than Silver premiums
- ▶ **Bottom line:** A 2020 analysis estimated standardized silver loading would increase APTC in Washington by up to **\$110M annually**.*

Cheat sheet: Customer impact

Legend

Helped:	
No Impact:	
Should change plans:	

	APTC Eligible	Not APTC Eligible
Bronze		
Silver	 	
Gold		

Standard silver loading status

- ▶ OIC issued an emergency rule and methodology to standardize Silver loading for PY 2026
- ▶ Exchange ready to support OIC's Silver loading approach, including:
 - ▶ Cascade Care Savings policy
 - ▶ Cross-mapping
 - ▶ Healthplanfinder display changes (exploring)
- ▶ Exchange provided input to HCA for support in Public Option renewal



Discussion: Supporting 2026 market changes



Plan Mapping



Plan Display &
Shopping Tools



Cascade Care

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

The value of eliminating tobacco rating

- ▶ **Equity:** Tobacco rating reduces QHP enrollment among tobacco users, who are disproportionately lower income, non-white, and from rural areas of the state.
- ▶ **Maximizes CCS impact:** WA pays an estimated **\$2M annually** toward tobacco rated premiums via Cascade Care Savings.
- ▶ **Maximizes federal APTC:** When carriers spread any applicable tobacco load over all plan premiums, it is captured in the benchmark premium and increases APTC for all.

Tobacco rating in the Exchange in PY2025

- ▶ 5% of QHP enrollees attest to tobacco use
- ▶ Two-thirds (66%) of QHP customers attesting to tobacco use are under 250% FPL and most receive CCS
- ▶ The average CCS recipient attesting to tobacco use receives \$103 per month in CCS, more than double the amount received by non-tobacco users

Customer Example

- ▶ Joseph is a 40-year-old attested tobacco user in Pierce County who earns \$37,656 per year (250% FPL). He enrolls in the lowest-cost Cascade silver plan.

	Joseph's Premium in Lowest Cost Cascade Silver Plan	
Tobacco Rating	Yes	No
Gross Premium	\$523	\$436
APTC	\$301	\$301
CCS**	\$155	\$135
Net Premium	\$67	\$0

Tobacco rating policy status

- ▶ HBE does not have authority to prohibit
- ▶ Draft CCS policy provides that CCS would be available only for Cascade plans of carriers that **do not** tobacco rate in the Exchange
 - ▶ Tobacco rating increased CCS spend by ~\$2M in 2025

