

Subsidy Study - Stakeholder Feedback

- September 29th Meeting -

Below is a summary of written feedback from stakeholders following the second round of discussions of the Health Benefit Exchange's Subsidy Study model at the September 29th Cascade Care Workgroup meeting. Feedback has been aggregated so as not to identify the comments of specific stakeholders.

What framework should WAHBE use to recommend a state subsidy?

Certain stakeholders expressed a desire for WAHBE to use an equity framework in final decision-making. It was suggested that WAHBE use the University of California's targeted universalism framework to target policies needed to achieve the stated goal of having no one under 500% of the federal poverty level (FPL) pay more than 10% of their income on premiums.

Another stakeholder expressed an interest in reviewing subsidy designs from the perspective of how to get the most uninsured people covered and into the market.

What subsidy design should Washington implement?

One stakeholder asked that the fixed-dollar subsidy be disregarded or deprioritized. They expressed concern that the fixed dollar subsidy does not provide enough nuance to assist sub-populations, such as older individuals. This same stakeholder requested that WAHBE model a subsidy design that establishes an affordability schedule that caps the amount any individual/household would pay on premiums, similar to the model in Massachusetts. If this approach is not achievable, there was support expressed for exploring the same percentage-based affordability structure in the model, with tweaks to ensure a more equitable impact, especially for lower income populations.

Another stakeholder evaluated subsidies based on which would bring the most uninsured individuals onto the Exchange, and recommended implementing the Fixed-\$ Full (\$135pmpm) subsidy design.

Should a subsidy target specific populations?

There was strong interest from one stakeholder in a subsidy structure that provides equity for older individuals and individuals who are at lower income levels (at/below 250% FPL).

Additional suggestions about the subsidy model and distribution of materials.

There was a request for WAHBE to update race/ethnicity data within the subsidy model and to include total health care expenses within the model baselines. The desire was to be able to understand a person's expected out-of-pocket costs, for context in considering the subsidy report's recommendations.

There was also a request for WAHBE to modify the proposed state affordability schedules to provide additional assistance to individuals earning up to 300% FPL, while retaining the proposed affordability standards for individuals between 300-500% FPL.

In modelling funding, one stakeholder requested that WAHBE include an estimate of each tax's impact on health plan premiums.

What funding mechanism should be recommended to finance the subsidy program?

There was general concern expressed that the scope of the financing review is too narrow, and that financing mechanisms beyond taxes on health carriers should be considered. It was noted that assessing carriers will lead to higher premiums for consumers. There was additional concern that a claims tax would have significant negative unintended consequences and be challenging to administer.

It was suggested that WAHBE look at other mechanisms for pursuing funding, such as a 1332 waiver or taxing other parts of the healthcare industry, such as hospitals and providers.

Additional comments?

There was a desire for WAHBE to consider how best to leverage federal APTCs through the subsidy program design and through active purchasing strategies. It was noted that Massachusetts uses several additional levers as part of its subsidy program to help control costs, including selecting health plans that are state subsidized and benchmarking premiums to the lowest cost silver plan. It was also suggested that WAHBE consider 1332 waiver options and a federal basic health structure in order to maximize federal APTCs.