



## Washington Health Benefits Exchange

Legislative Report: Plan to Implement and Fund State Premium Subsidies

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## Introduction

The Washington Health Benefits Exchange (WAHBE or Exchange) was directed by the Washington State Legislature to develop a plan to implement and fund a premium subsidy program, and report its implementation plan to the legislature by November 15, 2020. The Exchange retained Wakely Consulting Group, LLC (Wakely) to analyze mechanisms to implement and fund state premium subsidies for Exchange customers<sup>1</sup> earning less than five hundred percent of the federal poverty level. Specifically, Wakely was asked to analyze subsidy scenarios that:

- **Improve affordability:** In its enacting legislation, SB 5526, the Washington Legislature articulated a goal of Exchange customers earning up to 500% of the federal poverty level (FPL) paying no more than ten percent of their income on premiums; and
- **Improve access:** the legislation required an assessment of the impact of state premium subsidies on Washington's uninsured rate.

Wakely was also asked to include an assessment of providing cost-sharing reductions, as directed in the bill. The 2022 plan year is used as the basis for the analysis throughout this report.

For the premium-based state subsidy plan, different structures were reviewed for the analysis, including (1) an Enhanced Advanced Premium Tax Credit (APTC) model which functions similarly to the current federal subsidy program, and (2) a flat per member per month (PMPM) model, which provides a certain dollar amount to eligible individuals for each month of enrollment. Several different scenarios were analyzed using each model type. Wakely also provided high-level analyses on potential financing options to cover the cost of selected state premium subsidy scenarios and also analyzed the incremental impact of limiting the availability of state premium subsidies to Exchange customers who purchase Cascade Care plans, which include both Cascade (standard) plans and Cascade Select (public option) plans. This report is organized as follows:

- The executive summary discusses potential state premium subsidy structures and impacts, the impact of tying subsidies to Cascade Care plans, the structure and impact of cost-sharing subsidies, and mechanisms that could be used to finance a state program.
- The main body of the report discusses tradeoffs and other considerations of the state premium subsidy and cost-sharing programs and includes further details on the model outputs and key findings.

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<sup>1</sup> Customer is used throughout this report to comply with WAHBE marketing protocols. It is meant to be used interchangeably with member or enrollee to refer to individuals enrolled in a Qualified Health Plan (QHP) in the individual market either on or off the Exchange.

- The appendix includes detailed methodology, assumptions, and findings.

This document has been prepared for the sole use of WAHBE. It is our understanding that it will be provided to the legislature by November 15, 2020. Using the information in this report for other purposes may not be appropriate. This document, along with the Excel model provided to the Exchange (“Wakely – Subsidy Analysis Model – WA – 20201012.xlsm”), contains the results, data, assumptions, and methods used in our analyses and satisfies the Actuarial Standard of Practice (ASOP) 41 reporting requirements.

This report does not contain all of the state premium subsidy scenarios that were analyzed. The results presented include scenarios that highlight a range of possible overall and population-specific outcomes; however, there is uncertainty around the results. The impact of COVID-19 has been modeled but could vary significantly from estimates shown here. There is also limited information available for current Exchange customers who chose not to report their income.<sup>2</sup> Should these customers choose to report their income in future years due to the availability of additional state premium subsidies, the estimates shown here may be understated. Additional caveats are listed in Appendix B.

## Executive Summary

As part of the Cascade Care legislation that passed in 2019 (SB 5526), the legislature directed the Exchange, in consultation with the Health Care Authority (HCA) and the Office of the Insurance Commissioner (OIC), to develop a plan to implement and fund premium subsidies for Exchange customers purchasing individual market coverage, who have a modified adjusted gross income of less than five hundred percent of the federal poverty level (\$63,800 for individuals, \$131,000 for a family of 4 in 2020).<sup>3</sup> The bill established an affordability goal for the plan (enable Exchange customers to spend no more than ten percent of their income on premiums) and required an analysis of improved access to coverage among the uninsured. Wakely investigated the potential effects of different premium subsidy scenarios to determine which policy changes could be enacted to improve affordability and access for Washingtonians who rely on the individual market. Wakely also included an assessment of providing cost-sharing reductions, as required by the bill.

In order to calculate the impact of implementing a state plan, Wakely developed a baseline database to estimate the environment in 2022, including the on and off-Exchange enrollment in the Individual market and the uninsured landscape. Assumptions were developed based on Wakely internal modeling, emerging 2020 experience, conversations with WAHBE, HCA, and

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<sup>2</sup> Customers who choose not to apply for federal subsidies or Washington Apple Health programs are not required to enter income information in *Washington Healthplanfinder*.

<sup>3</sup> Current Federal Poverty Guidelines are available at <https://aspe.hhs.gov/poverty-guidelines>

OIC, and public source information to project the 2020 enrollment data to 2022. The table below shows a summary of the Individual market assumed in the baseline in 2022, prior to the implementation of any state subsidy program. In addition to HCA and OIC, WAHBE also worked with the Office of Financial Management and state legislature to ensure the 2022 baseline projections aligned with other available state data.

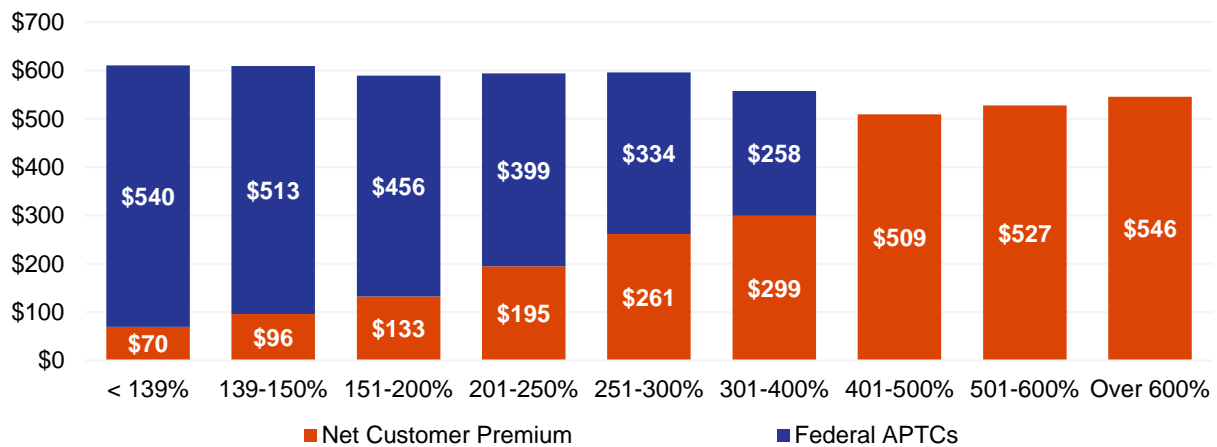
**Table 1: 2022 Baseline Individual Market – Best Estimate Enrollment**

2022 Baseline Enrollment	2019	2020	2022
On Exchange - Subsidized	120,500	113,400	129,300
On Exchange - Unsubsidized	71,300	73,500	80,000
Off Exchange	37,900	29,100	27,600
Total	229,700	215,900	236,900
On-Exchange Only - % Subsidized	62.8%	60.7%	61.8%

The following chart illustrates, for income groups, as a percent of the federal poverty limit (FPL) using the best estimate baseline scenario, the average portion of premium that is covered by the federal subsidy program, and the remaining average member net premium. This chart illustrates the premium cliff at the 400 percent FPL level for individuals receiving federal premium tax credits, at which net member premiums increase significantly given federal subsidies are limited to those under 400 percent FPL.

**Chart 1: Baseline Scenario - Premium by FPL**

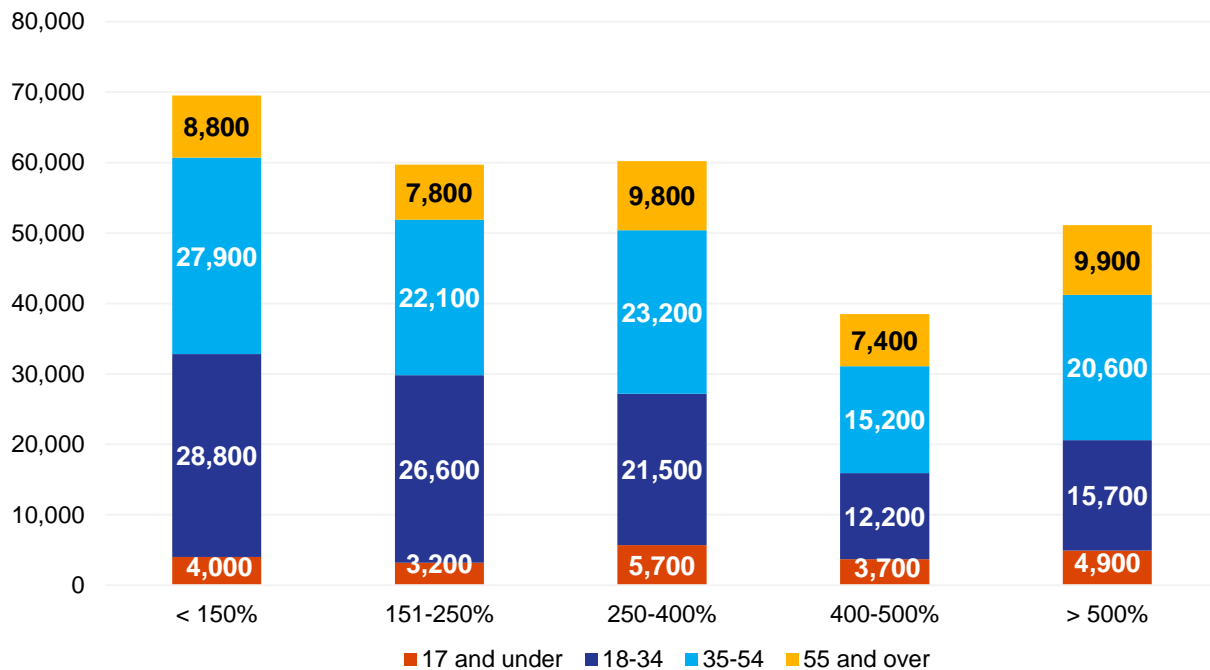
**Baseline - Best Estimate**



Another key baseline assumption is around the number of uninsured in Washington that may become covered in the individual market if lower premiums are available on the Exchange. While the uninsured estimates vary due to a range of reasonable assumptions, such as the impact of COVID-19, the uninsured estimate for those projected to be eligible for qualified health plan coverage in the Exchange in 2022 is approximately 278,700 under the best estimate.

The chart below reflects the baseline best estimate of uninsured by FPL and age group. The individuals reflected in the chart below are the estimates of QHP-eligible individuals and excludes the uninsured that are eligible for Medicaid or ineligible to purchase a plan on the Exchange due to citizenship status. These customers reflect the pool of uninsured who may choose to purchase coverage based on the state’s premium subsidy program.

**Chart 2: Baseline Scenario – 2022 Estimate of Uninsured by FPL and Age**



See Appendix H for additional information about the baseline uninsured.

### State Premium Subsidy Program

State premium subsidy programs provide premium assistance to a subset of customers purchasing coverage in the individual market through state Exchanges. Under the ACA, the federal program provides premium assistance via APTC dollars to Washingtonians who earn up to 400 percent of the FPL and enroll in coverage on the Exchange. State subsidy programs provide additional premium subsidies to supplement the federal program and extend assistance to those who do not currently qualify for federal financial help.

Several other states have already implemented, or are in the process of developing premium subsidy programs. Each program differs in the level of funding and which customers are eligible to receive assistance. A chart is included in Appendix E, which shows the current landscape of state-sponsored premium assistance programs.

Wakely modeled the impact of offering state premium subsidies under various scenarios to on-Exchange customers up to 500 percent FPL.

The scenarios generally fell into two different structures of premium subsidy programs. The first structure reduces the maximum amount of premiums a household would pay as a percent of their income. The second structure gives customers a fixed dollar amount calculated as a monthly amount per member per month (PMPM). Both structures provide additional subsidies to customers below 400 percent FPL who are eligible for federal premium tax credits. Both can also extend the availability of state subsidies beyond those currently covered by the federal program, including households with incomes between 400 and 500 percent FPL and those who are below 400 percent FPL but ineligible for federal subsidies (such as households that fall into the “Family Glitch”<sup>4</sup>).

The premium subsidy scenarios included in this report all provide premium subsidies to individuals who currently qualify for federal premium tax credits, as well as individuals who do not, such as those between 400 and 500 percent FPL and the “family glitch” population. The scenarios include:

- Enhanced APTC under 500 percent FPL (hereinafter referred to as the Enhanced APTC Scenario) – This scenario is structured similarly to the current federal premium subsidy program. The federal subsidy covers the difference between the amount the customer is required to pay under the ACA (sliding scale with income) and the premium charged for a benchmark plan, the second lowest cost Silver plan. In this scenario, the state subsidy program would further lower the amount of customers below 400 percent FPL need to pay by between 2 and 4 percent of income relative to the federal program. It also extends the availability of subsidies to customers between 400 and 500 percent FPL. For currently unsubsidized customers below 400 percent FPL, the same income limit applies as those who are currently subsidized.
- Fixed PMPM Up to 500 percent FPL \$135 PMPM (hereinafter referred to as the Fixed \$135 PMPM Scenario) - In this scenario, all customers up to 500 percent FPL receive \$135 PMPM towards their premium. In this scenario and the fixed scenarios noted below, if the amount they pay for their premium payment is below the designated subsidy amount, they would receive a smaller state subsidy that covers the remainder of their premium payment, creating a net customer premium of \$0 (or some other selected base amount or percentage).
- Fixed PMPM Up to 500 percent FPL \$90 PMPM (hereinafter referred to as the Fixed \$90 PMPM Scenario) - In this scenario, all customers up to 500 percent FPL receive \$90 PMPM towards their premium.

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<sup>4</sup> The “Family Glitch” is the ACA rule that bases eligibility for a family’s premium subsidies on whether available employer-sponsored insurance is affordable for the employee only, even if it’s not actually affordable for the whole family. As a result of this rule, if one person in a family is offered affordable employee only coverage, all family customers are ineligible for federal premium tax credits.



- Fixed PMPM Up to 500 percent FPL \$58 PMPM (hereinafter referred to as the Fixed \$58 PMPM Scenario) - In this scenario, all customers up to 500 percent FPL receive \$58 PMPM towards their premium.
- Fixed PMPM Up to 500 percent FPL \$48 PMPM - Subsidized, \$96 PMPM – Unsubsidized (hereinafter referred to as the Fixed \$48/\$96 PMPM Scenario) - In this scenario, customers currently receiving federal subsidies would receive \$48 PMPM, and customers not eligible for federal subsidies and up to 500 percent FPL receive \$96 PMPM towards their premium.

Table 2 below outlines Wakely’s best estimate of state costs, uninsured take-up, and the total number of customers receiving a state subsidy for each program, based on the different subsidy structures outlined above. Wakely also developed an estimated range of impacts of each program on the 2022 individual market, shown below in the “Detailed Results” section and described in the Methodology section. The range of state funding needed can vary significantly based on reasonable changes in assumptions. For example, while the best estimate of the Enhanced APTC scenario is \$216.9 million, the estimated costs range from \$167.9 to \$266.7 million.

**Table 2: Best Estimate Premium Subsidy Results by Scenario**

Premium Subsidy Program	Total State Funding (\$ Millions)	Number of Uninsured Take-Up	Total Customers Receiving State Subsidies	% of Customers with Access to Plan for Less than 10% of Income*
Enhanced APTC	\$216.9	19,700	175,400	100%
Fixed \$135 PMPM	\$217.1	23,800	179,800	94%
Fixed \$90 PMPM	\$152.1	18,700	173,800	92%
Fixed \$58 PMPM	\$100.7	14,200	168,700	92%
Fixed \$48/\$96 PMPM	\$101.8	14,100	169,400	92%

\* Only includes customers below 500% of FPL. Access to plan for less than 10% of income is based on the premium of the second lowest cost silver (benchmark) plan, used to determine federal subsidy amount. As such, there may be some customers not included in the numerator that may be able to purchase a Bronze plan for less than 10% of their household income.

The legislature’s stated affordability goal was to have all individuals under 500 percent FPL be able to purchase a benchmark plan for less than 10 percent of their income. The Enhanced APTC scenario satisfies that goal at the full funding level, while the Fixed PMPM scenarios come close with 92 to 94 percent of all individuals under 500 percent FPL being able to purchase a benchmark plan for less than 10 percent of their income. For reference, this statistic is 86 percent in the baseline without a state premium subsidy program. While the Enhanced APTC satisfies the legislature’s affordability goal, the Fixed \$135 PMPM estimates more take-up from the uninsured and better addresses the legislature’s second goal to improve access.

## Impact of Tying Premium Subsidy to Cascade Care Plans

The results shown above assume that the state premium subsidies are available regardless of Exchange plan selection. WAHBE also requested a review of the impact of tying a state subsidy to enrollment in Cascade Care (standard plans). This analysis was requested to enable the legislature to consider whether to further reinforce its policy objectives of supporting higher value plans developed as part of the Cascade Care legislation (SB 5526).<sup>5</sup> Under this analysis, a member earning under 500 percent FPL and enrolled in any Cascade Care plan at any metal level would be eligible for the state subsidy. It would also reduce the state funding requirements between approximately 27 and 63 percent, depending on the subsidy scenario, due to a reduction in the total number of customers receiving state subsidies and take-up from the uninsured. Further discussion of tying to Cascade Care is included below.

## Cost-Sharing Subsidy Program

A cost-sharing subsidy program pays for a portion of customers' expenses that they incur for medical care through lower copays, coinsurance, and deductibles, resulting in a plan with a higher actuarial value (AV). While premiums are fixed and known at the time of enrolling in coverage, cost-sharing amounts are incurred at the time of receiving medical care and may be more difficult to predict and budget for (e.g., particularly for coinsurance). Under the ACA, there is a federal requirement, known as cost-sharing reductions (CSRs) that provides cost-sharing assistance to customers who have incomes between 138 and 250 percent FPL and are enrolled in a silver plan on the Exchange.<sup>6</sup> This program is funded by additional premiums collected by insurers. The state program would not cover costs associated with current (federal) CSRs but instead would supplement federal CSRs with additional cost-sharing subsidies. As a result of the state paying for a portion of consumer costs, individuals may have greater access to services and may avoid forgoing medical care as a result of lower out of pocket costs.

The state cost-sharing subsidy program is designed to provide assistance to customers who enroll in a silver metal level plan on the Exchange. The state program would cover additional cost sharing for customers between 150 and 250 percent FPL and would also add cost-sharing assistance for customers between 250 and 300 percent FPL. The cost-sharing subsidy program modeled assumes that customers below 250 percent FPL but not eligible for federal subsidies would also not be eligible for the state cost-sharing subsidy program. This is different from the premium subsidy program described above, where these customers (such as "Family Glitch" households) are eligible for the premium subsidy program. The percentage of cost-sharing

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<sup>5</sup> In Cascade Care plans, consumers have access to more services before the deductible, lower deductibles, (average of \$1,000 less than non-standard plans), and more predictable and transparent cost sharing.

<sup>6</sup> There are additional CSRs available to customers of a federally recognized tribe or an Alaskan Native Claims Settlement Act Corporation shareholder.

covered by the state would vary based on the customer’s FPL. The cost-sharing scenarios modeled include:

- Lower Benefit Cost-Sharing Scenario – This scenario reduces member cost sharing for subsidy-eligible customers between 200 and 300 percent FPL. Customers enrolled in Silver plans between 200 and 250 percent FPL would be eligible for a new 77 percent AV CSR tier (increased from 73 percent under the federal program), and customers between 250 and 300 percent FPL would be eligible for a 73 percent AV CSR tier (currently ineligible for CSR plans under the federal program).
- Higher Benefit Cost-Sharing Scenario – This scenario reduces member cost sharing for subsidy-eligible customers between 150 and 300 percent FPL. Customers enrolled in Silver plans between 150 and 200 percent FPL would be eligible for the 94 percent AV CSR tier (increased from 87 percent under the federal program), customers between 200 and 250 percent FPL would be eligible for the 87 percent AV CSR tier (increased from 73 percent under the federal program), and customers between 250 and 300 percent FPL would be eligible for a new 80 percent AV CSR tier (currently ineligible for CSR plans under the federal program).

A percentage increase in a plan’s AV results in a proportional decrease to the portion of incurred health care costs a customer would owe out of pocket. By increasing the AV for certain FPL-brackets in the lower and higher benefit scenarios above, a customer enrolled in a silver CSR plan would see a proportional decrease in out-of-pocket spending on services. However, out-of-pocket savings resulting from a higher AV plan may only be fully realized by customers that utilize care at higher rates.

Wakely developed an estimated range of impacts of each program on the 2022 individual market, as described in the Methodology section. Table 3 below outlines Wakely’s best estimate of state costs, uninsured take-up, and the total number of customers receiving a CSR subsidy program, based on the subsidy structures outlined above. Wakely also developed an estimated range of impacts of the program on the 2022 individual market, shown below in the “Detailed Results” section and described in the “Methodology and Assumptions” section. The range of state funding needed can vary significantly based on reasonable changes in assumptions. For example, while the best estimate of the Higher Benefit Subsidy is \$52.9 million, the estimated costs range from \$46.6 to \$57.7 million.

**Table 3: Best Estimate CSR Subsidy Program Results**

Subsidy Program	Total State Funding	Number of Uninsured Take-Up	Total Customers Receiving State Subsidies
Lower Benefit Program	\$6,800,000	600	20,500
Higher Benefit Program	\$52,900,000	2,600	61,300

### Financing Mechanism

In addition to estimating the cost of the programs described above, Wakely was also asked to estimate the potential assessment or tax rates required to fund the program under three financing mechanisms: an assessment of covered lives, premium tax, and claims tax. In all cases, the markets eligible for assessment included those beyond the individual market, such as the small group and large group fully-funded markets. However, the markets assessed varied between the different options, as described in Appendix D.

Based on the premium subsidy scenarios provided above, the resulting assessments are shown in the table below. The claims tax rate is lower than the premium tax rate as it includes TPAs and self-funded plans, which are excluded from the premium tax.

**Table 4: Financing Assessments for Baseline Premium Subsidy Scenarios**

Subsidy Program	Financing Mechanism	Estimated Rate
Enhanced APTC	Covered Lives	\$3.52 PMPM
	Premium Tax	1.6%
	Claims Tax	1.0%
Fixed \$135 PMPM	Covered Lives	\$3.52 PMPM
	Premium Tax	1.6%
	Claims Tax	1.0%
Fixed \$90 PMPM	Covered Lives	\$2.47 PMPM
	Premium Tax	1.1%
	Claims Tax	0.7%
Fixed \$58 PMPM	Covered Lives	\$1.64 PMPM
	Premium Tax	0.8%
	Claims Tax	0.5%
Fixed \$48/\$96 PMPM	Covered Lives	\$1.65 PMPM
	Premium Tax	0.8%
	Claims Tax	0.5%
CSR Subsidy Program - Lower Benefit Scenario	Covered Lives	\$0.11 PMPM
	Premium Tax	0.1%
	Claims Tax	0.0%
CSR Subsidy Program - Higher Benefit Scenario	Covered Lives	\$0.86 PMPM
	Premium Tax	0.4%
	Claims Tax	0.2%

## Subsidy Design Considerations

While the cost of the program and the portion of customers impacted is important for comparing the various premium and cost-sharing programs, overall alignment with state goals as well as the benefits and uncertainties of such a program should also be considered. Following are specific considerations for each of the scenarios considered.

### Premium Subsidy Program

The estimated impacts of the program vary significantly based on the structure and level of subsidy. In this report, we reviewed the five scenarios listed above, though those are not the only potential structures. The key impacts listed below reflect the best estimate of the scenarios shown above.

- **State Costs:** The estimated state funds needed for year 1 of the program in each scenario modeled, excluding operational costs, vary between approximately **\$100.7 million and \$217.1 million**.
- **Consumers Impacted:** We estimate this would benefit approximately **75 percent** of the current population on-Exchange and result in an increase in on-Exchange market enrollment between **7 and 11 percent from the uninsured taking up coverage**. We estimate an additional increase in on-Exchange market enrollment between **0.5 and 1 percent** as individuals move from off-Exchange individual market coverage to coverage on the Exchange. For the various scenarios, the Enhanced APTCs generally provide larger subsidies for those earning 400 to 500 percent FPL and for older customers, specifically those 55 and older, who are not receiving federal premium tax credits. The Fixed PMPM scenarios tend to result in younger customers and customers at lower FPLs taking-up coverage on the Exchange at higher rates.
- **Alignment with State Goals:** Washington State's main goals of improving affordability and access would be improved through a premium subsidy program. The program is estimated to provide subsidies averaging between **\$50 and \$100 per eligible member per month** on the Exchange and result in between **5 and 9 percent** of the uninsured population taking up coverage. Tying a state subsidy to purchasing a Cascade Care plan could further align with other work in Washington to lower the out-of-pocket spending for low-income individual market customers.
- **Key Benefits:** The program would decrease member premiums, which is likely to increase market enrollment, and enable customers receiving a subsidy to direct more of their income to other essentials. The structure can be flexible to target specific populations and a federal waiver is not needed for implementation.

- **Key Uncertainties:** There would be significant uncertainty as to the costs of the program, especially in the initial years of the program. Unexpected changes in premiums or enrollment could result in higher than expected costs. To limit state funding uncertainty, the state may need to cap enrollment, have higher income verification programs, or implement other activities to account for the level of funding appropriated to the program.

While all structures of the premium subsidy program that were reviewed decrease customer premium and increase market enrollment, which customers benefit and the extent to which they benefit vary based on the structure of the program. Below are some considerations for each of the scenarios included.

- **Enhanced APTC** – This scenario ensures that all customers below 500 percent FPL have access to a plan whose premium is less than 10 percent of their income. It also has one of the highest state funding costs of the scenarios, only slightly lower than the Fixed \$135 PMPM scenario. Relative to the Fixed \$135 PMPM scenario, this structure directs proportionally more state funding to customers in the 400 to 500 percent FPL group than those at lower FPLs, most of whom are already eligible for federal subsidies. Also, as this scenario ties the member's portion of premium to income, older individuals receive a larger state subsidy relative to younger individuals. This makes the member's net premiums more similar across age bands, relative to the other scenarios.
- **Fixed \$135 PMPM** – This scenario has a similar state cost to the Enhanced APTC scenario. This scenario benefits customers at lower income levels who are currently receiving federal subsidies more than those above 400 percent FPL and unsubsidized customers below 400 percent FPL. The fixed dollar subsidy reflects a larger proportion of the current net premium for customers already receiving federal subsidies. Similarly, it also benefits customers under 55, again due to the fixed dollar amount representing a larger portion of premium for these customers compared to those at higher ages. This scenario also results in the highest estimated take-up from the uninsured. The majority of the state subsidy-eligible uninsured population in Washington have incomes below 400 percent FPL, are younger, and would also be eligible for federal subsidies, and due to receiving the largest benefit under this scenario, take-up coverage at higher rates.
- **Fixed \$90 PMPM and Fixed \$58 PMPM** – These scenarios benefit the same subsets of customers as the Fixed \$135 PMPM scenario, with the primary difference being the amount of the benefit and state funding levels required. As the cost of the state funding required and premium subsidy amount available decreases, there is a similar decrease in the customer impact. These scenarios result in proportional decreases in the number of uninsured and off-Exchange customers taking up coverage, as well as the percent of customers with access to premiums that are less than 10 percent of the member's income.

- **Fixed \$48/\$96 PMPM** – While the total state costs align with the Fixed \$58 PMPM scenario, this scenario splits the subsidy amounts, providing a larger benefit to customers who are not eligible for federal subsidies. This results in a similar percent of customers with access to premiums that are less than 10 percent of their income relative to the other fixed PMPM scenarios, as those that receive federal subsidies are already below 10 percent. Relative to the Fixed \$58 PMPM scenario, which has a similar state funding cost, the take-up from uninsured is similar, but more customers are estimated to move on-Exchange from off-Exchange due to the increased benefit for unsubsidized customers.

## IMPACTS BY RACE AND ETHNICITY

In addition to reviewing the results of the various premium subsidy structures by age and income level, Wakely also looked at the impact by race, and ethnicity. We did not note any significant differences in how the scenarios impacted different demographic groups. More detail in the current and scenario breakouts of subsidies and net premiums for these subsets of customers can be found in Appendix H.

## Cost-Sharing Subsidy program

The state cost-sharing program is designed to provide assistance to Washingtonians who enroll in a silver metal level plan on the Exchange. The program would cover additional cost-sharing for customers between 150 or 200 percent FPL (depending on the scenario) and 250 percent FPL and would also add cost-sharing assistance for customers between 250 and 300 percent FPL. The percentage of cost-sharing covered by the state would vary based on a household’s FPL.

Key takeaways include:

- **State Costs:** The estimated state funds needed for year 1 of the program, excluding operational costs, are between approximately **\$6.8 million and \$52.9 million** based on Wakely’s best estimate and the benefit structure chosen.
- **Consumers Impacted:** We estimate this would affect between **8 and 10 percent** of the current on-Exchange population and result in an increase in on-Exchange enrollment between **0.3 and 1.2 percent** due to uninsured taking up coverage.
- **Alignment with State Goals:** Cost-sharing subsidy programs improve access and affordability by reducing cost-sharing amounts. Since high cost sharing (copays, coinsurance, deductibles, etc.) can be a large contributor to individuals forgoing health insurance coverage, decreasing these out-of-pocket costs could improve access to coverage and decrease the number of uninsured in Washington. As the program does not decrease premiums, which tends to have a larger impact on enrollment, the effects on the uninsured rate are less than under a premium subsidy program. Furthermore, depending

on how the cost-sharing reductions are applied, healthier customers may not benefit as much given lower utilization.

- **Key Benefits:** This program would increase protections to consumers from high out-of-pocket expenses by lowering deductibles and cost-sharing for specific services, increasing the value of their health plan. Similarly to the premium subsidy program, the cost-sharing program can be flexible to target specific populations, and no federal waiver is needed.
- **Key Uncertainty:** If the cost-sharing benefit is too rich, it could encourage increased utilization by customers, which could, in turn increase market premiums. Since this program would not help customers who do not use services, it is likely to attract/retain higher cost customers, which could also increase premiums. This program may be operationally more complex due to additional insurer accounting requirements. For example, in Vermont, insurers needed to double adjudicate their claims to account for state specific cost-sharing programs.

## Comparison between Premium Subsidy and Cost-Sharing Subsidy Programs

While the premium subsidy addresses affordability concerns up front, the cost sharing subsidy program addresses affordability issues when services are utilized. Therefore, the cost-sharing subsidy is likely to benefit individuals with worse health status and those who utilize more services. Therefore, the impact is more concentrated, as it impacts a smaller portion of consumers relative to the premium subsidy program.

In addition, the premium subsidy program could help address similar concerns as the cost-sharing subsidy. The premium subsidy program allows greater flexibility for customers to choose to use the premium subsidy dollars in a way that suits them best. For instance, it allows customers with greater health care needs the opportunity to buy up to a higher metal level or more generous plan, which would lower consumer out of pocket costs. Customers who anticipate using fewer services could continue to buy a lower cost plan and reduce the upfront premium cost, depending on their preference.

### COMBINED PREMIUM SUBSIDY AND COST-SHARING SUBSIDY

These two programs do not have to be offered in isolation and could be offered together. By offering both programs simultaneously, it could help customers who are low utilizers of services through lower premiums while also protecting those with greater health care needs through lower cost-sharing. The mixture of the two programs allows for flexibility in targeting customers with varying health status and income.



## Implementation Considerations

The information and considerations regarding the implementation of the programs were provided by WAHBE. The details included in this section are non-actuarial in nature, and Wakely is reliant on WAHBE for the implementation considerations included in this section.

The Exchange currently administers the federal premium tax credit program, which provides over \$600 million in federal subsidies to Exchange customers. Administration of the federal tax credit program involves income verification using federal and state sources, making available subsidy amounts visible on-screen to customers during the plan shopping process, sending correspondences with the correct subsidy amounts, securely transferring subsidy information to carriers, and implementing payment reconciliation processes as needed. This functionality would be leveraged in the administration of a state premium subsidy.

The Exchange also administers the federal cost-sharing reduction program (while federal payments for the program have ceased, customers continue to benefit). Administration of this program similarly involves verifying eligibility, correct display of plan information, and secure transfer of cost-sharing tier information to carriers. This functionality would be leveraged in the administration of a state cost-sharing reduction program.

The below does not provide an exhaustive description of work that would need to be undertaken by Washington Health Benefits Exchange. Rather, it is meant to highlight key areas that will need to be addressed when establishing program parameters.

- **Implementation timing:** This report establishes 2022 baseline estimates. For implementation purposes, it is assumed revenue will be collected in 2022 for a subsidy that is marketed in the fall of 2022 and available to consumers starting in the 2023 plan year.

Key dependencies for a 2023 implementation include:

- **Premium subsidy program implementation.** It is assumed that program details related to subsidy eligibility, subsidy amounts, and facilitating payments to carriers will be established through a transparent Exchange process.

It is assumed that state subsidies, like federal subsidies, would only be available through Washington Healthplanfinder. It is also assumed that, similar to standard plans, administrative details will be revisited annually and that the eligibility and subsidy structures and amounts may be adjusted based on policy goals, changing enrollment projections and market conditions, budgetary constraints, or all three.

The Exchange is also assuming that the state subsidies will be advanceable in the same way as federal tax credits. It is assumed that existing income verification and reconciliation

procedures will be leveraged to help ensure premium subsidy amounts are accurately determined and updated appropriately throughout the year.

- **Cost Sharing Subsidies.** A premium subsidy program can help lower cost sharing for customers by enabling them to afford a higher level of coverage (i.e., to “buy up” to a higher metal level that requires lower out-of-pocket payments). A premium subsidy linked to Cascade Care plans would also be a means of providing greater cost sharing assistance because these plans are designed to have lower deductibles and cost sharing at each metal level. Implementation of a state cost sharing program would need to be aligned with federal rules for product and rate development.
- **Systems Development.** New premium and/or cost sharing support programs would need to be designed, tested, and integrated into Washington Healthplanfinder and related consumer decision support tools by the fall of 2022, prior to open enrollment for the 2023 plan year.
- **Rate Filing.** Implementation of a state premium subsidy is expected to modestly improve the individual market risk pool as a whole, and the anticipated impact at the legislatively directed funding level would need to be factored into the rates reflected in annual plan filings. Health insurance issuers are typically required to submit preliminary rates for the 2023 plan year by May of 2022. HBE and the Office of the Insurance Commissioner will need to develop a concrete work plan, and timeline as legislative decision-making could coincide with the 2023 rate filing process.
- **Marketing and Outreach Campaign Development and Launch.** Marketing and outreach campaigns would need to be adjusted to include new state program benefits and potentially would need to be targeted to new populations (such as the 400-500 percent FPL population). Marketing and outreach materials would need to be developed and disseminated in 2022, in advance of and during open enrollment. HBE outreach and enrollment partners would also need to be educated on the changes and possibly adjust their tactics and targets.
- **Assessment or tax revenue collection and retention.** Systems for the collection and retention of supporting revenues will need to be developed and are dependent on the funding mechanism chosen by the legislature. While methods such as a claims bases assessment or covered lives assessment have the benefit of potentially broader funding based, they would likely require more design and implementation work than would a model such as a premium tax based assessment, which could be accommodated through the existing insurance regulatory system.

## Detailed Results – Premium Subsidy Program

For each premium subsidy scenario, Wakely ran multiple iterations to estimate the range of impacts under various assumptions. Shown in this report are three of the estimates for each premium subsidy scenario:

- **Best Estimate** – The best estimate uses our most likely set of assumptions related to enrollment and premium changes in the Individual market between 2020 and 2022, including changes in federal subsidy amounts, changes in the uninsured market in Washington, and the impact of COVID-19 in 2022 on each of the assumptions above. The impact of COVID-19 increases both the enrollment in the individual market and an increase in the uninsured due to an increase in the unemployment rate and similar decrease in employer-sponsored insurance in 2022 relative to 2019 and January 2020.
- **Low Estimate** – This estimate reflects reductions in enrollment due to higher premium increases relative to the best estimate. It also assumes a smaller impact of COVID-19 on market enrollment and the uninsured, reflecting a market with unemployment rates more similar to 2019 and early 2020. This estimate uses assumptions that results in a low estimated cost of state subsidies. While not the lowest possible estimate, it represents the lowest likely result.
- **High Estimate** – This estimate reflects growth in enrollment due to lower premium increases relative to the best estimate. It also assumes a larger impact of COVID-19 on market enrollment and the uninsured, reflecting a market with unemployment rates that remain at the higher levels seen mid-2020 in 2022. This estimate uses assumptions that results in a high estimated cost of state subsidies. While not the highest possible estimate, it represents the highest likely result.

The following table shows the range of results for each of the five scenarios defined earlier. The table illustrates that reasonable differences in assumptions can produce significantly different subsidy costs for the state, primarily driven by the number of customers in the individual market.

**Table 5: Range of Premium Subsidy Program Results**

Premium Subsidy Program	Scenario	Total State Funding (\$ Millions)	Number of Uninsured Take-Up	Total Customers Receiving State Subsidies	% of Customers with Access to Plan for Less than 10% of Income*
Enhanced APTC	Best Estimate	\$216.9	19,700	175,400	100%
	Low Estimate	\$167.9	11,500	140,700	100%
	High Estimate	\$266.7	34,000	218,500	100%
Fixed \$135 PMPM	Best Estimate	\$217.1	23,800	179,800	94%
	Low Estimate	\$173.4	13,400	142,600	93%
	High Estimate	\$272.6	43,100	228,700	95%
Fixed \$90 PMPM	Best Estimate	\$152.1	18,700	173,800	92%
	Low Estimate	\$123.0	10,500	139,400	92%
	High Estimate	\$188.1	34,100	217,900	93%
Fixed \$58 PMPM	Best Estimate	\$100.7	14,200	168,700	92%
	Low Estimate	\$82.2	8,000	136,700	92%
	High Estimate	\$122.9	25,900	208,400	93%
Fixed \$48/\$96 PMPM	Best Estimate	\$101.8	14,100	169,400	92%
	Low Estimate	\$80.8	7,900	136,900	92%
	High Estimate	\$127.0	26,100	210,100	93%

\* Only includes customers below 500% of FPL. Access to plan for less than 10% of income is based on the premium of the second lowest cost silver (benchmark) plan, used to determine federal subsidy amount. As such, there may be some customers not included in the numerator that may be able to purchase a Bronze plan for less than 10% of their household income.

While a primary consideration for the state is the cost of the program, who the program impacts and the resulting change in enrollment are also key metrics for choosing which subsidy structure to choose. The following tables show the best estimate results for each of the scenarios, both by FPL and age breakouts. The data represents information on state subsidized customers only.

**Table 6: Best Estimate State Subsidies and Net Member Premiums By Scenario and FPL**

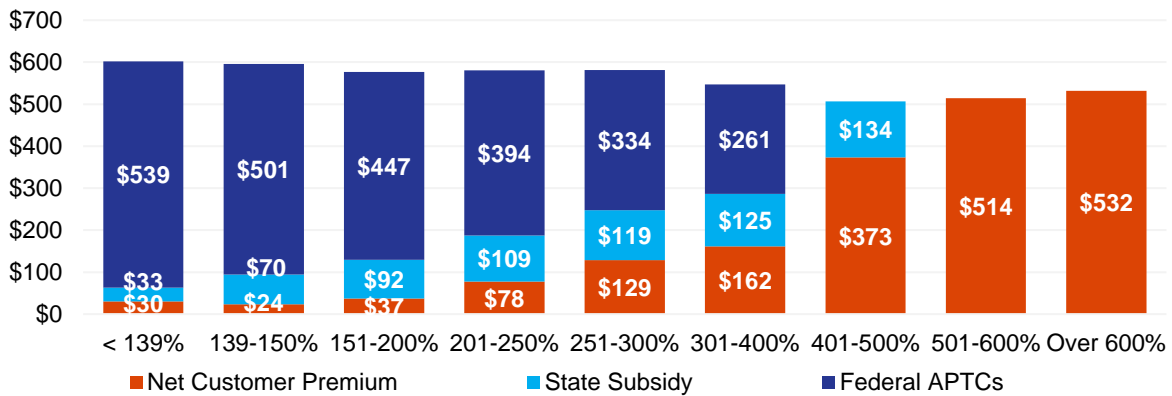
Premium Subsidy Program	Metric	< 139%	139-150%	151-200%	201-250%	251-300%	301-400%	401-500%	Total
Baseline	Subsidized Customers	12,700	13,800	40,200	25,800	16,400	20,300	-	129,400
	Average Net Premium PMPM	\$32.35	\$81.86	\$115.34	\$171.19	\$231.17	\$263.45	\$508.93	\$152.50
Enhanced APTC	Customers Receiving Subsidies	15,800	14,800	44,200	31,000	22,800	31,200	15,500	175,400
	Average State Subsidy PMPM	\$43.16	\$40.72	\$56.21	\$87.84	\$118.08	\$112.24	\$347.75	\$103.07
	Average Net Premium PMPM	\$27.02	\$58.29	\$79.22	\$108.45	\$144.25	\$195.36	\$269.69	\$123.87
Fixed \$135 PMPM	Customers Receiving Subsidies	16,600	15,200	45,400	32,200	23,600	32,900	13,900	179,800
	Average State Subsidy PMPM	\$33.32	\$70.41	\$91.89	\$109.14	\$118.99	\$124.92	\$134.02	\$100.62
	Average Net Premium PMPM	\$29.98	\$23.57	\$37.32	\$77.87	\$128.84	\$162.16	\$373.44	\$103.56
Fixed \$90 PMPM	Customers Receiving Subsidies	16,500	15,100	44,900	31,200	22,400	31,200	12,400	173,800
	Average State Subsidy PMPM	\$28.82	\$60.82	\$71.90	\$77.71	\$82.23	\$85.64	\$89.40	\$72.94
	Average Net Premium PMPM	\$33.76	\$32.94	\$57.05	\$109.28	\$166.38	\$202.59	\$418.06	\$128.10
Fixed \$58 PMPM	Customers Receiving Subsidies	16,400	15,000	44,300	30,400	21,500	29,800	11,300	168,700
	Average State Subsidy PMPM	\$24.47	\$47.97	\$49.98	\$51.82	\$54.22	\$55.93	\$57.65	\$49.76
	Average Net Premium PMPM	\$37.60	\$45.77	\$79.17	\$135.92	\$196.09	\$234.34	\$449.91	\$149.62
Fixed \$48/\$96 PMPM	Customers Receiving Subsidies	16,400	15,000	44,100	30,200	21,400	29,800	12,600	169,400
	Average State Subsidy PMPM	\$25.07	\$42.86	\$44.18	\$47.20	\$52.16	\$58.25	\$95.86	\$50.08
	Average Net Premium PMPM	\$37.53	\$51.33	\$85.63	\$141.65	\$200.01	\$234.21	\$414.33	\$152.96

This above table shows not only how the subsidies and net premiums vary in total but also how the different scenarios impact individuals at different FPLs differently. For example, the Enhanced APTC and Fixed \$135 PMPM scenarios have similar total state costs, but the Fixed \$135 PMPM is expected to have higher uninsured take-up with around 4,000 more customers enrolled.

This is because a larger portion of the uninsured is estimated to be in income levels below 300 percent FPL, which receive a larger subsidy under the Fixed PMPM scenario relative to the Enhanced APTC scenario. The Enhanced APTC scenario has a significantly higher subsidy for the 400 to 500 percent FPL customers. The following charts illustrate, for the Enhanced APTC and Fixed \$135 PMPM scenarios, the portion of premium for each FPL that are covered by the federal subsidy program, the state subsidy program, and customer net premiums. If the state premiums are not provided, the member premium would generally be equal to the net customer and state premium amounts. The number of customers receiving state subsidies in each FPL is also shown. The relationship by FPL is similar (but at a lower overall funding level) for the other Fixed PMPM scenarios as the Fixed \$135 PMPM scenario below.

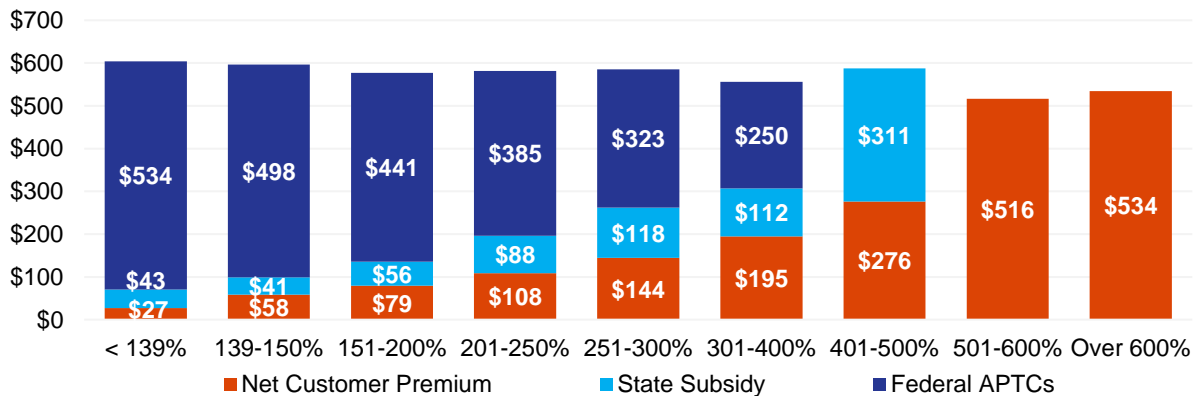
**Chart 3: Enhanced APTC Scenario - Premium by FPL**

**Fixed \$135 PMPM Scenario**



**Chart 4: Fixed \$135 PMPM Scenario – Premium by FPL**

**Enhanced APTC Scenario**



Similar to the table above by FPL, the below table shows the customers receiving subsidies, the average state subsidies, and the average net member premium for each premium subsidy scenario by age. This information is shown for Wakely's best estimate scenario.

**Table 7: Best Estimate State Subsidies and Net Member Premiums By Scenario and Age**

Premium Subsidy Program	Metric	17 and under	18-34	35-54	55 and over	Total
Baseline	Subsidized Customers	2,700	31,900	47,300	47,400	129,400
	Average Net Premium PMPM	\$145.04	\$122.82	\$154.09	\$173.37	\$153.14
Enhanced APTC	Customers Receiving Subsidies	6,000	42,300	63,300	63,800	175,400
	Average State Subsidy PMPM	\$70.31	\$71.29	\$87.32	\$142.91	\$103.07
	Average Net Premium PMPM	\$139.75	\$92.90	\$128.65	\$138.15	\$123.87
Fixed \$135 PMPM	Customers Receiving Subsidies	6,700	44,800	66,300	62,000	179,800
	Average State Subsidy PMPM	\$99.17	\$97.40	\$105.15	\$98.27	\$100.62
	Average Net Premium PMPM	\$105.68	\$69.13	\$99.67	\$132.39	\$103.56
Fixed \$90 PMPM	Customers Receiving Subsidies	6,400	43,600	63,900	59,900	173,800
	Average State Subsidy PMPM	\$67.76	\$71.32	\$76.17	\$71.23	\$72.94
	Average Net Premium PMPM	\$138.04	\$93.71	\$125.37	\$155.01	\$128.10
Fixed \$58 PMPM	Customers Receiving Subsidies	6,200	42,700	61,800	58,100	168,700
	Average State Subsidy PMPM	\$44.09	\$48.89	\$51.91	\$48.72	\$49.76
	Average Net Premium PMPM	\$163.19	\$115.43	\$147.89	\$175.15	\$149.62
Fixed \$48/\$96 PMPM	Customers Receiving Subsidies	6,300	43,000	62,100	58,000	169,400
	Average State Subsidy PMPM	\$58.48	\$51.50	\$52.23	\$45.81	\$50.08
	Average Net Premium PMPM	\$150.12	\$114.73	\$151.41	\$183.27	\$152.96

This above table shows that generally, the Fixed PMPM scenarios will reduce net premiums for younger customers more than older customers, especially on a percent of premium basis since younger customers have lower premiums but receive the same PMPM subsidy. The Enhanced APTC scenario is likely to provide more subsidies for older individuals. In the Fixed PMPM scenarios, often, the full subsidy is not needed to get the member to a \$0 premium, and as a result, the average subsidy amounts PMPM can be significantly less than that target/maximum allowed.

Additional details on the assumptions used to develop these estimates, as well as additional detailed exhibits by age and FPL for the various assumption scenarios, are included in Appendix A.

## Detailed Results – CSR Subsidy

The cost-sharing subsidy program pays for a portion of an enrollee’s cost-sharing, which reduces expenses they have to pay for medical care. The federal program, which provides assistance to Washingtonians enrolled in a silver plan on the Exchange with incomes between 138 and 250 percent of the FPL,<sup>7</sup> is one example of a cost-sharing subsidy. The federal government used to reimburse issuers for costs incurred by customers enrolled under the program but ceased payments in October 2017. However, the requirement of issuers providing lower cost-sharing for eligible enrollees continues under the ACA despite the ending of federal payments. Washington issuers now pay for the additional plan liabilities they incur through increased silver plan premiums on the Exchange.

Wakely analyzed a cost-sharing subsidy program similar to the current program implemented in the state of Vermont, with requirements as follows:

- Customers on the Exchange under 300 percent FPL would be eligible to receive the benefit. The customer must enroll in a Silver plan. This could encourage current off-Exchange or on-Exchange customers in other plans to migrate to a Silver on-Exchange plan.
- The benefit would be offered through a richer plan design with lower cost-sharing (copays, deductible, coinsurance) based on varying actuarial value requirements. This is similar to the federal program, which requires silver plan variants with 73 percent, 87 percent, and 94 percent actuarial values (AVs). The plan designs would be offered through different silver plan variants, which vary by FPL. The state’s cost-sharing subsidy AVs and how they compare to the federal cost-sharing program by FPL are as follows:

**Table 8: Cost-Sharing – Actuarial Value Benefit Structure by FPL**

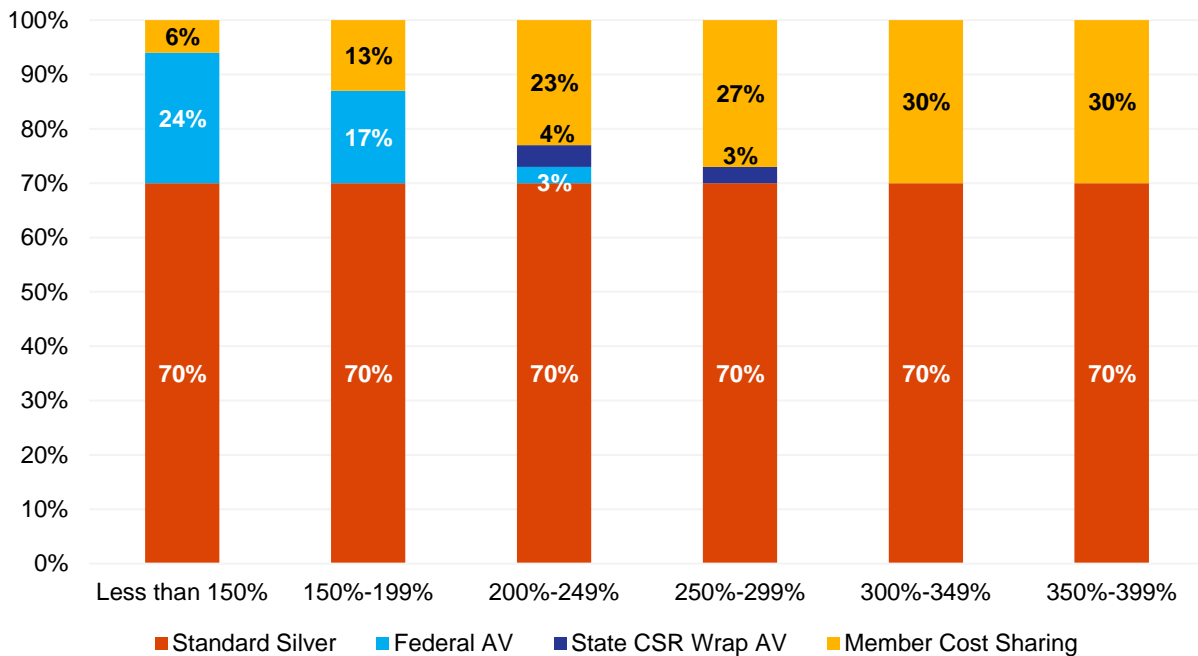
CSR Wrap Program	Metric	Less than 150%	150%-199%	200%-249%	250%-299%	300%-349%	350%-399%
	Federal Program Actuarial Value	94%	87%	73%	70%	70%	70%
<b>Lower Benefit Wrap</b>	State Benefit Actuarial Value	94%	87%	<b>77%</b>	<b>73%</b>	70%	70%
	Increase in State Benefit Actuarial Value	0%	0%	<b>4%</b>	<b>3%</b>	0%	0%
<b>Higher Benefit Wrap</b>	State Benefit Actuarial Value	94%	<b>94%</b>	<b>87%</b>	<b>80%</b>	70%	70%
	Increase in State Benefit Actuarial Value	0%	<b>7%</b>	<b>14%</b>	<b>10%</b>	0%	0%

<sup>7</sup> American Indians are also covered under this program at all FPL levels.

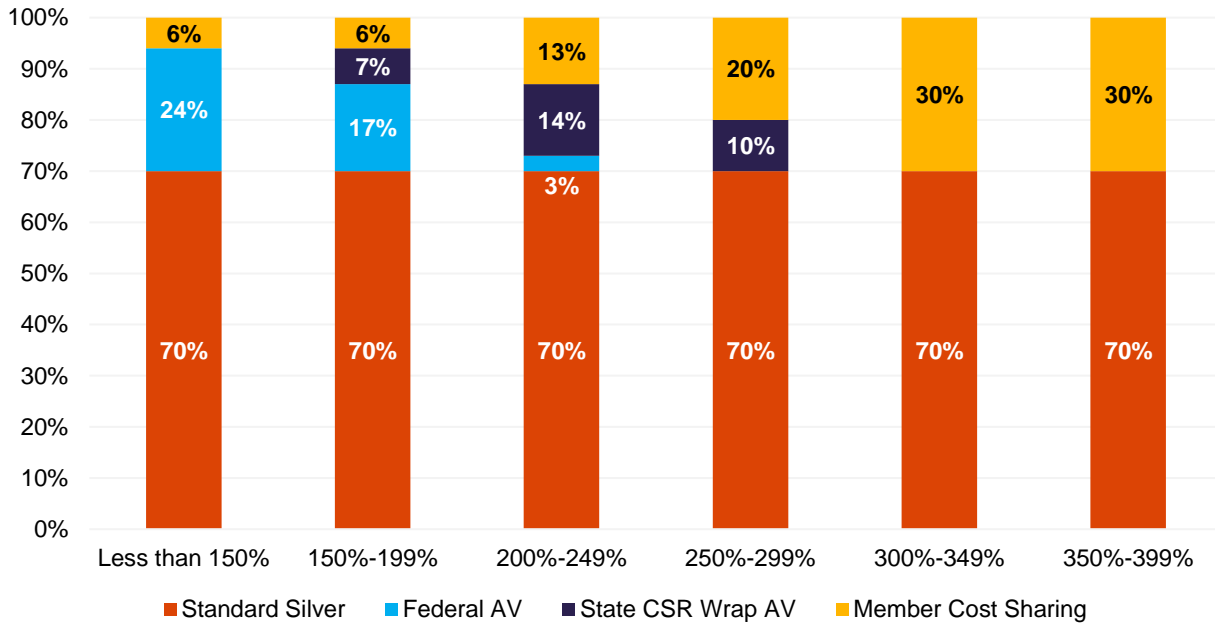


The charts below show a comparison of the AVs for the standard silver plans and those covered by the federal CSR program and state program structures above. A percentage increase in a plan’s AV results in a proportional decrease to the portion of incurred health care costs a customer would owe out of pocket. By increasing the AV by 3 and 4 percent in the lower benefit scenario, a customer could expect the combination of their plan’s deductible and other cost-sharing to lower their out-of-pocket expenses by 10 or 15 percent on average (portion of claim costs that is the member responsibility would reduce from 27 or 30 percent to 23 or 27 percent of total allowed claim costs). A reduction in AV of 7 to 14 percent in the higher benefit scenario would result in a similarly proportional decrease in customer spending on services. However, as previously noted, out-of-pocket savings resulting from a higher AV plan may only be fully realized by customers that utilize care at higher rates.

**Chart 5: CSR Program - Silver Plan AV by FPL: Lower Benefit Scenario**



**Chart 6: CSR Program - Silver Plan AV by FPL: Higher Benefit Scenario**



As noted in the Premium Subsidy section above, Wakely ran multiple iterations to estimate the range of impacts under various assumptions to develop a Low, Best, and High estimate. The same methodology was used to develop a range of results for the cost-sharing subsidy program as well. The following table shows the range of results for each of the scenarios. Table 9 illustrates that reasonable differences in assumptions can produce significantly different subsidy costs for the state, primarily driven by the number of customers in the individual market.

**Table 9: Range of Cost-Sharing Subsidy Program Results**

CSR Subsidy Program	Scenario	Total State Funding (\$ Millions)	Number of Uninsured Take-Up	Total Customers Receiving State Subsidies	Percent of On-Exchange Customers Receiving State Subsidies
<b>Lower Benefit Subsidy</b>	Best Estimate	\$6.8	600	20,500	9.8%
	Low Estimate	\$6.1	400	17,100	10.0%
	High Estimate	\$7.3	900	24,300	9.7%
<b>Higher Benefit Subsidy</b>	Best Estimate	\$52.9	2,600	61,300	28.9%
	Low Estimate	\$46.6	1,600	49,900	29.1%
	High Estimate	\$57.7	3,700	73,300	29.0%

The following tables show changes in enrollment for the best estimate results by FPL.

**Table 10: Best Estimate Cost-Sharing Subsidy Program Results by FPL**

CSR Program	Metric	< 150%	151-200%	201-250%	251-300%	Total
<b>Baseline</b>	CSR Customers	23,700	29,300	12,300	0	65,300
	Average CSR Costs PMPM	\$162.56	\$115.61	\$17.90	\$0.00	\$114.24
<b>Lower Benefit Subsidy</b>	CSR Customers	23,700	29,300	14,400	6,100	73,500
	Average CSR Costs PMPM	\$159.70	\$112.80	\$47.39	\$19.99	\$107.40
<b>Higher Benefit Subsidy</b>	CSR Customers	23,700	35,500	18,200	7,600	85,000
	Average CSR Costs PMPM	\$159.35	\$163.67	\$125.77	\$79.19	\$146.80

## Appendix A: Methodology and Assumptions

The analyses in this report utilized multiple data sources and methodologies. This section describes the key elements of the methodology and assumptions used for various calculations and analyses. Data reliance is discussed in Appendix B.

### Data Collection

WAHBE provided Wakely with detailed, member-level on-Exchange enrollment information for customers enrolled in 2020. This data set contained detailed member level information such as premiums, APTC information, FPL, county, metal level, age, and other enrollment specifications.

### 2022 Baseline Development

In order to calculate the impact of the program changes, Wakely developed a baseline database to best estimate the environment in 2022. Assumptions were developed based on Wakely internal modeling, emerging 2020 experience, conversations with WAHBE, and public source information to project the 2020 enrollment data to the 2022 time period.

The 2022 base data included member-level details as well as household-level details. Adjustments were made to the 2020 base data at a household level basis to generate an estimate of the 2022 baseline as described below.

**Enrollment.** To develop a 2022 enrollment estimate, for our best estimate, we assumed that the historical enrollment changes would continue, then separately layered on an impact on enrollment due to COVID-19.

- **On-Exchange:** Historical enrollment increases were used as the basis for the assumed enrollment change from 2020 to 2022. We reviewed the annual enrollment change from 2017 to 2020 separately for subsidized and unsubsidized on-Exchange customers and assumed the same average enrollment increase would continue from 2020 to 2022.
- **Off-Exchange:** Detailed enrollment information for off-Exchange customers was not available. Therefore, Wakely relied on the 2019 risk adjustment report and appendices - Summary Report on Permanent Risk Adjustment Transfers for the 2019 Benefit Year<sup>8</sup> released by CMS to estimate enrollment. The 2019 risk adjustment report included information for the entire individual market in Washington. Off-Exchange enrollment and premiums were estimated by backing out the on-Exchange data as provided by WAHBE for 2019 by rating area.

The 2019 off-Exchange enrollment was then trended to 2020 based on the average reduction from 2017-2019 based on the same methodology. To estimate enrollment in 2022, it was assumed that the increase in unsubsidized on-Exchange enrollment would be offset 1-to-1 by a decrease in off-Exchange enrollment.

- **COVID-19 Adjustment:** The enrollment effect due to COVID-19 reflects an increase in individual market enrollment as a result of the increased unemployment rate and individuals losing employer coverage. The estimated impact of COVID-19 on individual market enrollment was based on a study released by the Urban Institute and Robert Wood Johnson Foundation, How the COVID-19 Recession Could Affect Health Insurance Coverage.<sup>9</sup> The report included estimates on the change in enrollment at various unemployment rates both nationally and at a state-level. Wakely calculated the implied increase in individual market enrollment for a 1 percent change in unemployment in the state of Washington. This change was then applied based on the difference between the unemployment rate in Washington as of January 2020 as reported by the Bureau of Labor Statistics<sup>10</sup> and the estimated unemployment rate in 2022, estimated by the June 2020 Economic and Revenue Forecast<sup>11</sup> for Washington. This approach resulted in an estimated increase in individual market enrollment of approximately 5 percent. This increase was applied consistently for on-Exchange subsidized and unsubsidized, and off-Exchange enrollment.

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<sup>8</sup> <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/RA-Report-BY2019.pdf>

<sup>9</sup> [https://www.urban.org/research/publication/how-covid-19-recession-could-affect-health-insurance-coverage/view/full\\_report](https://www.urban.org/research/publication/how-covid-19-recession-could-affect-health-insurance-coverage/view/full_report)

<sup>10</sup> [https://www.bls.gov/news.release/archives/laus\\_03162020.pdf](https://www.bls.gov/news.release/archives/laus_03162020.pdf)

<sup>11</sup> <https://erfc.wa.gov/sites/default/files/public/documents/publications/jun20pub.pdf>

As noted above, the enrollment was allocated separately for subsidized on-Exchange, unsubsidized on-Exchange, and off-Exchange. The resulting impact was an increase of 14.0 percent of subsidized enrollment on-Exchange, 8.9 percent of unsubsidized enrollment on-Exchange, and a reduction of 5.1 percent of off-Exchange customers from 2020 to 2022.

**Premium (Before Federal Subsidies).** The premium changes from 2020 to 2021 were estimated from final rate filings for 2021 premiums. The 2020 to 2021 premium change is assumed to follow with historical average increases. The overall gross premium increase from 2020 to 2022 is estimated to be 7.6 percent.

*High Level Premium Adjustments: Annual trends from 2020 to 2022.*

- **2020 to 2021:** The average rate increase from 2020 to 2021 in the final rate filings reported by carriers is -1.8 percent. When adjusted to reflect the impact of current customers aging, gross premiums were assumed to increase 2 percent from 2020 to 2021, both on and off-Exchange.
- **2021 to 2022:** The baseline projection assumes, based on aging and medical and pharmacy claim cost trend, that premiums will increase approximately 6 percent from 2021 to 2022. Actual annual changes in premium have varied significantly since the introduction of the ACA and the Health Benefit Exchange, with the average premium change ranging from approximately -3 percent to +14 percent (excluding the rate change from 2017-2018, which included the impact of CSR de-funding). Due to this variability, this assumption assumes that the premium rates in 2021 are adequate and that the rate change from 2021 to 2022 will be similar to medical and pharmacy claim cost trend.
- **COVID-19 Adjustment:** No adjustment was made to the premium levels for the impact of COVID-19. It is our understanding that carriers generally did not adjust their 2021 premium rates for COVID-19, and we are assuming that will continue from 2021 to 2022.

**APTC.** The APTC PMPM amounts for 2020 were provided by WAHBE. To estimate the 2022 figures, Wakely increased the required contribution (i.e., net premium) 2 percent per year from 2020 to 2022 to conform with the indexing of the contribution rate. We then inflated gross premiums for APTC customers (the 2020 APTC amounts plus net premiums) in 2022 by the average market premium increases, as described above (6.5 percent). This new 2022 gross premium amount is then reduced by the 2022 net premium values (since APTC customers share of premiums is capped based on their respective household income) to calculate the 2022 APTC PMPM amounts. The resulting 2022 APTC and net premium amounts were reviewed for reasonability by FPL and metal level.

The table below summarizes the 2019 to 2022 high level Washington market statistics based on the issuer data and adjustments as discussed above to project to the baseline. The 2022 estimates reflect the best estimate assumptions. The premiums are combined for the customers and include both subsidized and unsubsidized customers.

**Table 11: 2019 to 2022 Baseline Average Enrollment and Premium Data / Estimates**

2022 Baseline	2019	2020	2022	2022 / 2020
<b>Enrollment</b>				
On Exchange - Subsidized	120,511	113,376	129,278	14.0%
On Exchange - Unsubsidized	71,318	73,467	80,041	8.9%
Off Exchange	37,885	29,094	27,611	-5.1%
Total	229,714	215,937	236,930	9.7%
% Subsidized	52.5%	52.5%	54.6%	
<b>Premiums PMPM</b>				
Gross – Before APTC	\$563	\$529	\$569	7.6%
Net – After APTC	\$294	\$321	\$325	1.2%

**Allowed Claim Costs.** In order to estimate the impact of a cost-sharing subsidy program, we needed to estimate the claim costs for the 2022 baseline. These were estimated based on information provided in the 2020 Uniform Rate Review Templates (URRTs). The 2020 premiums as provided by WAHBE were reduced for administrative expenses, taxes, and fees based on the carrier specific data included on Worksheet 2 of the URRT. This reflects the estimate of plan paid costs for 2020. This was then grossed up using the federal actuarial value (AV) by plan, also as reported in the URRT. The federal AV is determined based on the use of the federal actuarial value calculator and does not reflect the pricing AV carriers used to determine the premium rates in 2020. However, the pricing AVs are not publicly available; therefore, the federal AV was used to estimate the approximate allowed claims. The resulting allowed claim costs were then projected forward to 2022 using the same gross premium trend as described above. This assumes that administrative expenses, taxes, and profit margins as a percent of premiums are steady from 2020 to 2022 and that plan design changes are made in future years to maintain a similar AV in 2022.

**Uninsured.** In order to estimate take-up from the uninsured as a result of the subsidy program, we also needed to project a baseline estimate of the uninsured in 2022. Wakely relied on the 2018 Small Area Health Insurance Estimates (SAHIE)<sup>12</sup> as the starting point. This provided information on the uninsured in Washington by county, FPL group, and age group. We also utilized estimates provided by the Office of Financial Management (OFM) in Washington to exclude individuals eligible for Medicaid and those ineligible for enrollment in Qualified Health Plans (QHPs) due to immigration status. We further split the uninsured estimate into those that

<sup>12</sup> <https://www.census.gov/library/publications/2020/demo/p30-07.html>

would be eligible for financial assistance under the federal program and those that are not. All individuals above 400 percent FPL are not eligible for federal subsidies. For the remaining individuals under 400 percent FPL, we assumed 67 percent are eligible for federal subsidies. This is based on a KFF study evaluating the distribution of uninsured that are ineligible for financial assistance due to an offer of employer coverage<sup>13</sup>.

This data was then projected to 2022. We assumed that in the absence of COVID-19, the uninsured rate and population would be steady from 2018-2022. In looking at the estimated uninsured rate as reported by the American Community Survey (ACS) from 2015-2018, the uninsured rate has remained relatively steady in Washington. We then layered on an estimate for the increase in uninsured due to COVID-19. This was based on the same process described above to adjust enrollment. The result was an estimated increase in the number of uninsured of approximately 7 percent. Based on these adjustments, the table below shows the best estimate for 2022 uninsured by age and FPL.

**Table 12: 2022 Baseline Estimate of Uninsured\* by Age and FPL**

FPL	17 and under	18-34	35-54	55 and over	Total
BELOW 139%	3,500	24,600	24,000	7,600	59,600
139-150%	500	4,200	3,900	1,200	9,900
151-200%	1,400	13,800	11,200	3,700	30,000
201-250%	1,800	12,800	10,900	4,100	29,600
251-300%	100	11,900	11,100	4,200	27,200
301-400%	5,500	9,600	12,200	5,600	32,900
401-500%	3,700	12,200	15,200	7,400	38,500
501-600%	1,800	5,900	7,400	3,700	18,800
OVER 600%	3,100	9,900	13,200	6,200	32,300
<b>Total</b>	<b>21,300</b>	<b>104,800</b>	<b>108,900</b>	<b>43,600</b>	<b>278,700</b>

\* The estimate of uninsured above reflects individuals that are eligible to purchase QHPs and does not include those eligible for Medicaid coverage and certain non-citizens

The regulatory environment, both at the federal and state level, does impact enrollment and premiums. The assumed regulatory environment in 2022 reflects the status quo, as follows:

- We assumed silver loading on-Exchange would continue.

<sup>13</sup> <https://www.kff.org/health-reform/state-indicator/distribution-of-nonelderly-uninsured-individuals-who-are-ineligible-for-financial-assistance-due-to-income-offer-of-employer-coverage-or-citizenship-status/?currentTimeframe=0&sortModel=%7B%22colld%22:%22Location%22,%22sort%22:%22asc%22%7D>

- No other proposed regulatory changes were included within the 2022 Baseline.

Based on the assumptions above, Wakely adjusted the 2020 member level detailed data to produce the detailed 2022 Baseline environment.

### **Adjustments for Low and High Baseline Estimates**

The assumptions used in the development of the analysis are inherently uncertain. Adjustments were made to the baseline or “Best” estimate to develop a range of estimates, reflecting “Low” and “High” outcomes. The range of estimates are not representative of the lowest and highest possible outcome but rather apply a set of more and less conservative assumptions. The low and high estimates were based on the range of enrollment and premium changes seen on the Exchange historically. The impact of COVID-19 in the low and high estimates were based on a range of unemployment levels in Washington in 2022. The low estimate assumes the unemployment rate is similar to that in January 2020 and the high estimate assumes that the unemployment rate in 2022 is similar to the higher level seen in July 2020.

A summary of the best, low, and high estimate baseline assumptions are shown in Table 13.



**Table 13: 2020 to 2022 Baseline Data Adjustments**

Key Adjustments	Baseline	Low Range	High Range
<b>Baseline (without premium subsidy) Projection</b>			
<b>Enrollment Changes:</b>			
2020-2021 Enrollment Changes:			
<i>Subsidized, On-Exchange</i>	4.3%	-1.3%	10.2%
<i>Unsubsidized, On-Exchange</i>	1.9%	-9.9%	10.5%
<i>Off-Exchange</i>	-4.9%	-23.4%	0.0%
2021-Beyond: Annual Change			
<i>Subsidized, On-Exchange</i>	4.3%	-1.3%	10.2%
<i>Unsubsidized, On-Exchange</i>	1.9%	-9.9%	10.5%
<i>Off-Exchange</i>	-4.9%	-23.4%	0.0%
<b>Premium Changes:</b>			
2020-2021			
<i>Gross Premium Change, On-Exchange</i>	2.2%	6.2%	-1.8%
<i>Net Premium Change, On-Exchange, Subsidized</i>	2.0%	4.0%	0.0%
<i>Gross Premium Change, Off-Exchange</i>	2.2%	6.2%	-1.8%
2021-Beyond: Annual Change			
<i>Gross Premium Change, On-Exchange</i>	5.6%	10.0%	0.0%
<i>Net Premium Change, On-Exchange, Subsidized</i>	2.0%	4.0%	0.0%
<i>Gross Premium Change, Off-Exchange</i>	5.6%	10.0%	0.0%
<b>Change in Number Uninsured:</b>			
<i>2020-2021</i>	0.0%	0.6%	-0.7%
<i>2021-Beyond</i>	0.0%	0.6%	-0.7%
<b>Impact of COVID-19 on 2022 Estimates</b>			
<b>Enrollment Changes:</b>			
<i>Subsidized, On-Exchange</i>	4.9%	0.0%	9.4%
<i>Unsubsidized, On-Exchange</i>	4.9%	0.0%	9.4%
<i>Off-Exchange</i>	4.9%	0.0%	9.4%
<b>Change in Number Uninsured:</b>			
<i>2022 with COVID-19 relative to Baseline</i>	6.8%	0.0%	14.8%

## Appendix B: Methodology and Results – State Premium Subsidy Program

The State Premium Subsidy program would provide state premium assistance to a subset of customers who have incomes between 138 and 500 percent FPL. This would be paid in addition to the current federal program that provides premium subsidy assistance via APTC dollars to customers who have incomes between 138 and 400 percent FPL and are enrolled in a non-catastrophic plan on the Exchange. The purpose of this analysis was to evaluate different structures for the state premium subsidy program, an “Enhanced APTC” model, which is applied similarly to the current federal program but allows expansion of eligible customers and a reduction in the maximum premium contribution, and a “Fixed PMPM” model, which offers a fixed dollar subsidy per member per month (PMPM) that varies based on FPL and eligibility status for federal subsidies.

The 2022 baseline was used in determining the impact of a state premium subsidy program. Under both high level premium subsidy program structures, the modeling allowed inputs separately for currently subsidized individuals and unsubsidized individuals by FPL. The state premium subsidy for each household is capped at the premium amount less federal subsidies (meaning the net premium that is the member’s responsibility cannot be negative).

In the enrollment data provided by WAHBE, there is a group of customers who did not report their income, which is required in order to qualify for the federal subsidy. While some customers may be incentivized to report their income under the state program if they would be eligible for the new subsidies, others may still choose not to report and, therefore, would not be eligible for the program. Very little is known about this group; therefore, there is uncertainty in the number of customers that may choose to report their income in the future. Therefore, we assumed that these customers would continue to choose not to report their income and would not be eligible for subsidies under the premium subsidy program.

### Enhanced APTC Model

Under this scenario, we assumed that the state premium subsidy program would utilize the same methodology as the current federal program, and the second-lowest cost Silver plan would continue to be utilized for determining the subsidy amount available. The amount of the state program subsidy and resulting net premiums were calculated separately for those that are currently subsidized and those that would be newly subsidized. For the currently subsidized customers, the difference between the premium limit under the federal APTC program and the enhanced state subsidy premium limit was multiplied by their monthly household income. The table below shows the Federal income limits in 2020 and state limit utilized for this analysis at various FPLs. The income limits set by WAHBE were informed by an analysis from MIT, *Subsidizing Health Insurance for Low-Income Adults: Evidence from Massachusetts*, which

reviewed discrete changes in subsidies at several income thresholds to maximize enrollment. We assumed there wouldn't be any significant changes in the federal limits between 2020 and 2022. Note that for FPLs in-between the values shown, the income limits (both federal and state) are interpolated and would fall between the income limits shown.

**Table 14: Enhanced APTC Scenario – Premium Income Limits**

Income as Percent of FPL	Federal Income Limit	State Income Limit	Reduction in Income Limit
139%	2.06%	0.00%	-2.06%
150%	4.12%	2.00%	-2.12%
200%	6.49%	3.50%	-2.99%
250%	8.29%	4.50%	-3.79%
300%	9.78%	6.00%	-3.78%
400%	9.78%	7.50%	-2.28%
500%	N/A	9.78%	N/A
600%	N/A	N/A	N/A

For customers not receiving federal subsidies and above 400 percent FPL, the second lowest cost silver plan applicable to each member was provided by WAHBE. We trended this premium forward at the same rates utilized in the baseline development. This assumes that there are no significant changes in the benchmark plan premium relative to other plans. The premium limit based on each household's FPL was then compared to the trended benchmark premium, and the difference was the subsidy amount available.

For customers not receiving federal subsidies and below 400 percent FPL, there were two separate options modeled. The first assumes that the state subsidy program would apply the same income limit for these customers as those currently subsidized. Essentially, the state program would cover the enhanced income limit as well as the federal subsidy that these customers would receive if they were eligible. For this option, the same methodology was applied as those newly eligible for state subsidies and above 400 percent FPL as described above. This is the option reflected in the Enhanced APTC scenario results.

The second option assumes that customers are not receiving federal subsidies, and below 400 percent FPL would receive a similar state subsidy as those currently subsidized at the same income level. In this case, the same methodology was applied to these customers as was utilized for the currently subsidized customers, which only applied the difference between the federal income limit and the enhanced limit as the maximum amount of the state subsidy.

## Fixed PMPM Model

This scenario assumes that each member receives a fixed dollar amount per month. This amount would be limited at the household level based on the number of billable customers. Therefore, households with more than three children would only receive a subsidy for a maximum of three children, consistent with how the premiums are calculated. The state subsidy amount was able to vary based on federal subsidy eligibility and income level.

Due to the additional premium benefit, enrollment on the Exchange for customers eligible for state subsidies is estimated to increase. We have modeled an increase in enrollment on the Exchange due to 1) migration of current off-Exchange customers to on-Exchange; and 2) currently uninsured taking up coverage on-Exchange.

After calculating the impact of the additional premium benefit at the household-level as described above, the results were then allocated back to the member-level in order to estimate the migration from off-Exchange and take-up of the currently uninsured as household-level information was unavailable for these groups. Each member in the household was assigned an age rating factor and multiplier. The age rating factor was based on the federal age curve used to determine premiums for each member in Washington. Only the first three children under the age of 21 are billable. Therefore the multiplier is 1.0 for adults and the first three children under 21 in a household and 0.0 for additional children, reflecting that these customers do not contribute to the household premium. An individual factor for each member in the household is calculated as the product of the age factor and multiplier. The premium and APTC for the household was allocated to the individual level based on the proportion of the individual factor to the sum of factors for all customers in the household.

We have not modeled the shifting of customers to other metal levels due to the presence of the premium subsidy, although we expect that migration would occur and consequently impact premiums and overall state cost of the subsidy. It is possible that the additional state subsidy may cause customers to buy down to a lower relative metal level in order to further reduce premium costs and potentially receive a \$0 premium plan. Or, they may choose to buy up to a higher relative metal level in order to reduce cost sharing at a similar premium to what they were paying prior to the state subsidy.

Nor have we modeled shifting of customers from other markets, such as those in the small group market or association health plans. The current premiums in the small group and association health plan markets are significantly lower than those in the Individual market; therefore, it may be unlikely that the introduction of the state premium subsidy will have a meaningful impact on those markets. However, should a significant number of employers in those markets choose to send their employees to the Individual market, the state costs would be higher than that shown here.

## Migration of Off Exchange Customers to On-Exchange

The proportion of off-Exchange customers migrating to on-Exchange was a function of the reduction in premium with the state subsidy program. This premium change calculation was done at the individual level, where off-exchange customers were “mapped” to currently enrolled individuals with similar characteristics. In instances where certain characteristics about the off-Exchange customers were not known (e.g., age and FPL), we assumed their distribution would be similar to the on-Exchange customers. In addition, we have assumed that none of the customers migrating on-Exchange from off-Exchange would be eligible for federal subsidies.

Once the premium reduction was estimated, we then applied an enrollment elasticity function based on the published research literature – “the cross-price elasticity for people currently insured in the nongroup market is  $-1.18$ .”<sup>14</sup> Further, we included muting adjustments to account for some portion of off-Exchange customers’ lack of awareness of the premium subsidies (which would depend on the level of advertisement and member education provided by the state), a ramp up of take-up due to the premium subsidy program as the estimate for 2022 represents the first year the program would be implemented, and the general level of inertia associated with changing a health insurance plan, among other reasons. This muting factor was developed based on initial take-up results in California with the introduction of the state’s premium subsidy program. This factor was applied consistently to off-Exchange customers and uninsured individuals and was varied in the low and high scenarios.

## Uninsured Taking Up Coverage

The second source of the premium subsidy program enrollment increase is from currently uninsured individuals taking up enrollment on the Exchange. Please refer to the Baseline methodology above for details on the methodology in determining uninsured people who are estimated to be eligible to enroll in the individual on-Exchange market by FPL.

We assumed that the uninsured people enrolling on the Exchange would be similar to those currently enrolled on the Exchange (in terms of what plans they would be purchasing). As described in the baseline methodology above, we assumed a portion of customers below 400 percent FPL would be eligible for federal subsidies. Similar to the off-Exchange migration modeling, we mapped the uninsured individuals to those that are currently on-Exchange based on similar characteristics (county, age group, income level). We modeled the proportion of uninsured people purchasing coverage on the Exchange as a function of how much premiums were decreasing due to the state premium subsidy. For subsidized customers, the change in

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<sup>14</sup> [https://www.cbo.gov/system/files/2019-01/54915-New\\_Rules\\_for\\_AHPs\\_STPs.pdf](https://www.cbo.gov/system/files/2019-01/54915-New_Rules_for_AHPs_STPs.pdf)

premium was net of the federal premium assistance subsidies. Once the premium reduction was calculated, we then applied an enrollment elasticity function based on the published research literature to the pool of the uninsured individuals in Washington, estimated in Table 12. The estimated elasticity was based on published research by the Congressional Budget Office.<sup>15</sup> This paper indicates that individuals with lower incomes are less likely to take-up coverage and that older individuals are more likely. Therefore, we varied the elasticity rates applied by income and age of the uninsured, ensuring that the total aligned with the average elasticity published in the report (-0.57). As described above, a muting adjustment was included to account for some portion of individuals lack of awareness of the premium subsidies (which would depend on the level of advertisement and member education provided by the state), and a ramp up of take-up due to the premium subsidy program as the estimate for 2022 represents the first year the program would be implemented, among other reasons. This factor was applied consistently to off-Exchange customers and uninsured individuals and was varied in the low and high scenarios.

## **Market Morbidity Change**

With the influx of previously uninsured individuals enrolling in the market, we have assumed that there would be a decrease in the average market morbidity. New market entrants were estimated to have 27 percent lower morbidity than those already enrolled, as discussed within the health reform study from Massachusetts.

## **Summary of Best Estimate Results**

A high level summary of the state subsidy PMPM by subsidy scenario and FPL is summarized below in Table 15.

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<sup>15</sup> <https://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/66xx/doc6620/08-24-healthinsurance.pdf>

**Table 15: State Subsidy PMPM by FPL**

Premium Subsidy Program	Eligible Customers	< 139%	139-150%	151-200%	201-250%	251-300%	301-400%	401-500%	Total
Enhanced APTC	Customers Receiving Federal and State Subsidies	\$15	\$21	\$32	\$54	\$74	\$61	\$0	\$44
	Customers Receiving Only State Subsidies	\$438	\$478	\$430	\$381	\$328	\$246	\$348	\$335
Fixed \$135 PMPM	Customers Receiving Federal and State Subsidies	\$28	\$68	\$90	\$107	\$117	\$123	\$0	\$94
	Customers Receiving Only State Subsidies	\$132	\$132	\$132	\$132	\$132	\$132	\$134	\$133
Fixed \$90 PMPM	Customers Receiving Federal and State Subsidies	\$26	\$60	\$71	\$77	\$81	\$85	\$0	\$70
	Customers Receiving Only State Subsidies	\$88	\$88	\$88	\$88	\$88	\$88	\$89	\$89
Fixed \$58 PMPM	Customers Receiving Federal and State Subsidies	\$23	\$48	\$50	\$51	\$54	\$56	\$0	\$48
	Customers Receiving Only State Subsidies	\$57	\$57	\$57	\$57	\$57	\$57	\$58	\$57
Fixed \$48/\$96 PMPM	Customers Receiving Federal and State Subsidies	\$21	\$41	\$42	\$43	\$45	\$46	\$0	\$41
	Customers Receiving Only State Subsidies	\$95	\$95	\$95	\$95	\$95	\$95	\$96	\$95

The table below illustrates the 2022 estimated market after impact of the subsidy.

**Table 16: Premium Subsidy - 2022 Market Best Estimate**

Premium Subsidy Program	Total State Funding (\$ Millions)	Total Federal Subsidies (\$ Millions)	Number of New Customers On-Exchange	Number of Uninsured Take-Up	Total Customers Receiving State Subsidies	Average State Subsidy Per Eligible Member Per Year	% of Individuals Under 500% FPL who can Purchase Benchmark Plan for less than 10% of Income
Enhanced APTC	\$216.9	\$750.4	23,700	19,700	175,400	\$1,237	100%
Fixed \$135 PMPM	\$217.1	\$793.2	26,300	23,800	179,800	\$1,207	94%
Fixed \$90 PMPM	\$152.1	\$780.1	20,400	18,700	173,800	\$875	92%
Fixed \$58 PMPM	\$100.7	\$766.1	15,200	14,200	168,700	\$597	92%
Fixed \$48/\$96 PMPM	\$101.8	\$759.3	15,900	14,100	169,400	\$601	92%

In addition to reviewing the total cost of each program, it is important to understand how customers may be impacted differently when reviewing the trade-offs between the different programs. Our primary focus reviewed the impact at different income levels as well as age. However, other metrics were reviewed in the provided Excel model, including county, race, and ethnicity. The following tables show the program results for income level and age groups.



**Table 17: Premium Subsidy: Impact by Income Level**

Premium Subsidy Program	Metric	< 139%	139-150%	151-200%	201-250%	251-300%	301-400%	401-500%	Total
Baseline	Subsidized Customers	12,700	13,800	40,200	25,800	16,400	20,300	-	129,400
	Average Net Premium PMPM	\$32.35	\$81.86	\$115.34	\$171.19	\$231.17	\$263.45	\$508.93	\$152.50
Enhanced APTC	Customers Receiving Subsidies	15,800	14,800	44,200	31,000	22,800	31,200	15,500	175,400
	Average State Subsidy PMPM	\$43.16	\$40.72	\$56.21	\$87.84	\$118.08	\$112.24	\$347.75	\$103.07
	Average Net Premium PMPM	\$27.02	\$58.29	\$79.22	\$108.45	\$144.25	\$195.36	\$269.69	\$123.87
Fixed \$135 PMPM	Customers Receiving Subsidies	16,600	15,200	45,400	32,200	23,600	32,900	13,900	179,800
	Average State Subsidy PMPM	\$33.32	\$70.41	\$91.89	\$109.14	\$118.99	\$124.92	\$134.02	\$100.62
	Average Net Premium PMPM	\$29.98	\$23.57	\$37.32	\$77.87	\$128.84	\$162.16	\$373.44	\$103.56
Fixed \$90 PMPM	Customers Receiving Subsidies	16,500	15,100	44,900	31,200	22,400	31,200	12,400	173,800
	Average State Subsidy PMPM	\$28.82	\$60.82	\$71.90	\$77.71	\$82.23	\$85.64	\$89.40	\$72.94
	Average Net Premium PMPM	\$33.76	\$32.94	\$57.05	\$109.28	\$166.38	\$202.59	\$418.06	\$128.10
Fixed \$58 PMPM	Customers Receiving Subsidies	16,400	15,000	44,300	30,400	21,500	29,800	11,300	168,700
	Average State Subsidy PMPM	\$24.47	\$47.97	\$49.98	\$51.82	\$54.22	\$55.93	\$57.65	\$49.76
	Average Net Premium PMPM	\$37.60	\$45.77	\$79.17	\$135.92	\$196.09	\$234.34	\$449.91	\$149.62
Fixed \$48/\$96 PMPM	Customers Receiving Subsidies	16,400	15,000	44,100	30,200	21,400	29,800	12,600	169,400
	Average State Subsidy PMPM	\$25.07	\$42.86	\$44.18	\$47.20	\$52.16	\$58.25	\$95.86	\$50.08
	Average Net Premium PMPM	\$37.53	\$51.33	\$85.63	\$141.65	\$200.01	\$234.21	\$414.33	\$152.96

**Table 18: Premium Subsidy Program – Uninsured Take Up by Income**

Premium Subsidy Program	Metric	< 139%	139-150%	151-200%	201-250%	251-300%	301-400%	401-500%	Over 500%	Total
Baseline	Estimated Uninsured	59,600	9,900	30,000	29,600	27,200	32,900	38,500	51,100	278,700
Enhanced APTC	Uninsured Take-Up	2,100	400	1,600	2,400	2,900	3,400	6,800	-	19,700
Fixed \$135 PMPM	Uninsured Take-Up	3,000	900	3,200	3,900	4,000	5,300	3,600	-	23,800
Fixed \$90 PMPM	Uninsured Take-Up	3,000	900	2,700	3,000	3,000	3,800	2,400	-	18,700
Fixed \$58 PMPM	Uninsured Take-Up	2,900	700	2,100	2,200	2,100	2,600	1,500	-	14,200
Fixed \$48/\$96 PMPM	Uninsured Take-Up	2,800	700	1,900	2,000	1,900	2,400	2,500	-	14,100

The prior tables show that the Enhanced APTC scenario benefits customers between 400 and 500 percent FPL more than the Fixed PMPM scenario at a similar total state funding level, while the Fixed PMPM scenario benefits those at the lower income levels more. The Fixed \$48/\$96 PMPM scenario benefits the 400to 500 percent FPL customers, relative to the Fixed \$58 PMPM scenario at a similar funding level. As these customers are all currently unsubsidized, they receive the larger subsidy benefit, though the lower income levels are relatively similar between the two scenarios.

The following tables show similar results but by age instead of FPL level.

**Table 19: Premium Subsidy Impact by Age Group**

Premium Subsidy Program	Metric	17 and under	18-34	35-54	55 and over	Total
Baseline	Subsidized Customers	2,700	31,900	47,300	47,400	129,400
	Average Net Premium PMPM	\$145.04	\$122.82	\$154.09	\$173.37	\$153.14
Enhanced APTC	Customers Receiving Subsidies	6,000	42,300	63,300	63,800	175,400
	Average State Subsidy PMPM	\$70.31	\$71.29	\$87.32	\$142.91	\$103.07
	Average Net Premium PMPM	\$139.75	\$92.90	\$128.65	\$138.15	\$123.87
Fixed \$135 PMPM	Customers Receiving Subsidies	6,700	44,800	66,300	62,000	179,800
	Average State Subsidy PMPM	\$99.17	\$97.40	\$105.15	\$98.27	\$100.62
	Average Net Premium PMPM	\$105.68	\$69.13	\$99.67	\$132.39	\$103.56
Fixed \$90 PMPM	Customers Receiving Subsidies	6,400	43,600	63,900	59,900	173,800
	Average State Subsidy PMPM	\$67.76	\$71.32	\$76.17	\$71.23	\$72.94
	Average Net Premium PMPM	\$138.04	\$93.71	\$125.37	\$155.01	\$128.10
Fixed \$58 PMPM	Customers Receiving Subsidies	6,200	42,700	61,800	58,100	168,700
	Average State Subsidy PMPM	\$44.09	\$48.89	\$51.91	\$48.72	\$49.76
	Average Net Premium PMPM	\$163.19	\$115.43	\$147.89	\$175.15	\$149.62
Fixed \$48/\$96 PMPM	Customers Receiving Subsidies	6,300	43,000	62,100	58,000	169,400
	Average State Subsidy PMPM	\$58.48	\$51.50	\$52.23	\$45.81	\$50.08
	Average Net Premium PMPM	\$150.12	\$114.73	\$151.41	\$183.27	\$152.96

**Table 20: Premium Subsidy Program – Uninsured Take Up by Age**

Premium Subsidy Program	Metric	17 and under	18-34	35-54	55 and over	Total
Baseline	Estimated Uninsured	21,300	104,800	108,900	43,600	278,700
Enhanced APTC	Uninsured Take-Up	200	2,000	6,600	10,900	19,700
Fixed \$135 PMPM	Uninsured Take-Up	600	3,700	9,600	9,900	23,800
Fixed \$90 PMPM	Uninsured Take-Up	400	2,800	7,500	7,900	18,700
Fixed \$58 PMPM	Uninsured Take-Up	300	2,100	5,600	6,100	14,200
Fixed \$48/\$96 PMPM	Uninsured Take-Up	300	2,100	5,700	6,000	14,100

From the tables above, the Fixed PMPM scenarios benefit those at younger ages more than the Enhanced APTC scenario for a similar state funding level as the state subsidy under the Fixed PMPM scenarios is a higher percent of the total plan premium for these customers. In addition, the take up rates among the older uninsured (55 and older) are less impacted by the funding level than those at the younger ages.

### Range of Results

In the low and high scenarios, the premium subsidy program structure was unchanged compared to the best estimate. The baseline market assumptions varied, as shown in Table 9 above. In the low scenario, the proportion of customers migrating from off-Exchange as well as uninsured taking up coverage was dampened. Conversely, in the high scenario, eligible customers increased compared to the best estimate.

A high level summary of the state premium subsidy program impacts on market enrollment, federal premium assistance, and state premium subsidy costs by rating area is presented in Tables 21 and 22.

**Table 21: Premium Subsidy - 2022 Market Low Scenario**

Premium Subsidy Program	Total State Funding (\$ Millions)	Total Federal Subsidies (\$ Millions)	Number of New Customers On-Exchange	Number of Uninsured Take-Up	Total Customers Receiving State Subsidies	Average State Subsidy Per Eligible Member Per Year	% of Individuals Under 500% FPL who can Purchase Benchmark Plan for less than 10% of Income
Enhanced APTC	\$167.9	\$684.8	13,200	11,500	140,700	\$1,194	100%
Fixed \$135 PMPM	\$173.4	\$713.8	14,300	13,400	142,600	\$1,216	93%
Fixed \$90 PMPM	\$123.0	\$705.4	11,100	10,500	139,400	\$882	92%
Fixed \$58 PMPM	\$82.2	\$696.7	8,300	8,000	136,700	\$601	92%
Fixed \$48/\$96 PMPM	\$80.8	\$692.4	8,500	7,900	136,900	\$591	92%

**Table 22: Premium Subsidy - 2022 Market High Scenario**

Premium Subsidy Program	Total State Funding (\$ Millions)	Total Federal Subsidies (\$ Millions)	Number of New Customers On-Exchange	Number of Uninsured Take-Up	Total Customers Receiving State Subsidies	Average State Subsidy Per Eligible Member Per Year	% of Individuals Under 500% FPL who can Purchase Benchmark Plan for less than 10% of Income
Enhanced APTC	\$216.9	\$750.4	23,700	19,700	175,400	\$1,237	100%
Fixed \$135 PMPM	\$217.1	\$793.2	26,300	23,800	179,800	\$1,207	94%
Fixed \$90 PMPM	\$152.1	\$780.1	20,400	18,700	173,800	\$875	92%
Fixed \$58 PMPM	\$100.7	\$766.1	15,200	14,200	168,700	\$597	92%
Fixed \$48/\$96 PMPM	\$101.8	\$759.3	15,900	14,100	169,400	\$601	92%

### Impact of Tying Subsidy to Purchase of Cascade Care Plan

The results above assume that all eligible customers receive the state subsidy, regardless of plan purchase decisions. WAHBE also requested Wakely review the impact of tying the state subsidy to the purchase of a Cascade Care Plan. Cascade Care plans at all metal levels would be eligible. These plans are first being introduced in 2021.

In general, the same methodology, as described above, was utilized to estimate this impact. However, we did need to add an additional assumption around the proportion of current on-Exchange customers that would move into Cascade Care plans. This was a function of two pieces, the first was an update to the baseline estimate on the number of customers that would enroll in these plans in the 2022 baseline without the state subsidy program and those that would choose to move with the introduction of the subsidy program.

We assumed customers would enroll in a Cascade Care plan with their same carrier and current metal level. We further assumed that the presence of the subsidy restrictions would not cause changes in issuer pricing practices for these plans in year 1 of the program. The first piece, those that will enroll in Cascade Care regardless of the subsidy program, was estimated to be 12 percent of customers. WAHBE indicated that carriers anticipate approximately 9 percent of customers will enroll in the Cascade Care plans in 2021, the first year the plans will be available. We compared this to the estimated movement based on the premium change for customers compared to their current plan choice and applied the same elasticity function for plan movement, as was used to estimate off-Exchange movement described above. The elasticity function indicated higher expected movement; therefore we increased the estimated take-up of the carriers to reflect the phase-in of enrollment in the second year of the program.

The second piece of enrollment migration from the current on-Exchange customers was based on the premium change for Cascade Care plans with the premium subsidy program relative to their current plan. In the case of federally subsidized customers, the change in premium was net of the federal premium subsidies. As described above, the elasticity function for plan switchers was applied to determine the portion of customers that would move to Cascade Care plans.

The methodology for the movement of off-Exchange and uninsured individuals was the same as described previously.

For all individuals (on-Exchange, off-Exchange, and uninsured), an additional muting adjustment was applied to the appropriate elasticity functions to determine take-up in the Cascade Care plans. This reflects the limited choice in plans and relative reluctance of individuals to change plans. This adjustment was varied in order to produce the range of estimates shown below.

The table below shows the estimated state funding required and number of customers receiving subsidies for the various premium subsidy program structures where all plans are eligible for subsidies compared to a range of outputs requiring the purchase of a Cascade Care plan. All estimates shown below are based on the baseline scenario.

**Table 23: Relative Impact of Tying State Premium Subsidy to Cascade Care Plans**

Premium Subsidy Program	Total State Funding - All Plans Eligible (\$ Millions)	Total State Funding - Require Cascade Care (\$ Millions)	Reduction in Total State Funding	Total Customers Receiving State Subsidies - All Plans Eligible	Total Customers Receiving State Subsidies - Require Cascade Care Plan	Reduction in Total Customers Receiving State Subsidies
Enhanced APTC	\$216.9	\$114.6 - \$158.2	27.1% - 47.2%	175,400	74,200 - 99,700	43.2% - 57.7%
Fixed \$135 PMPM	\$217.1	\$112.8 - \$153.2	29.4% - 48.0%	179,800	93,200 - 127,300	29.2% - 48.2%
Fixed \$90 PMPM	\$152.1	\$69.3 - \$93.0	38.9% - 54.5%	173,800	80,500 - 108,900	37.3% - 53.7%
Fixed \$58 PMPM	\$100.7	\$39.2 - \$51.8	48.6% - 61.1%	168,700	68,200 - 90,900	46.1% - 59.6%
Fixed \$48/\$96 PMPM	\$101.8	\$37.8 - \$49.9	51.0% - 62.9%	169,400	66,600 - 88,600	47.7% - 60.7%

## Appendix C: Methodology and Results – Cost-Sharing Subsidy Program

A cost-sharing subsidy pays for a portion of an enrollee’s cost-sharing, which reduces expenses they have to pay for medical care. The federal program offers reduced cost-sharing to enrollees between 138 and 250 percent FPL through CSR silver variant plans with actuarial values equal to 73, 87, and 94 percent. The state cost-sharing subsidy program was modeled to cover customers on the Exchange under 300 percent FPL, who enroll in a silver plan. The subsidy benefit would be offered through richer plan designs with lower cost-sharing based on varying actuarial values. The structure of the state program is similar to the federal cost-sharing program, except that more plan variants are offered to a larger proportion of people (or FPLs). The state program would only cover cost-sharing in addition to the Federal program. The cost-sharing subsidy program modeled assumes that customers below 250 percent FPL but not eligible for federal subsidies would also not be eligible for the state cost-sharing subsidy program. This is different from the premium subsidy program described above, where these customers (such as “Family Glitch households”) are eligible for the premium subsidy program.

The 2022 Baseline, same as the Premium Subsidy Baseline for all scenarios, was used in determining the impact of a state cost-sharing subsidy. Wakely analyzed the impact of a state cost-sharing subsidy program structured similarly to the current program implemented in Vermont, which is reflected in the “Lower Benefit” scenario below. In addition, we reviewed the impact of a more generous cost-sharing subsidy program, which is reflected in the “Higher Benefit” scenario.

The state’s cost-sharing subsidy actuarial value benefits and how they compare to the federal cost-sharing program by FPL are presented in Table 24.

**Table 24: Cost-Sharing Subsidy – Actuarial Value Benefit Structure by FPL**

CSR Wrap Program	Metric	Less than 150%	150%-199%	200%-249%	250%-299%	300%-349%	350%-399%
	Federal Program Actuarial Value	94%	87%	73%	70%	70%	70%
<b>Lower Benefit Wrap</b>	State Benefit Actuarial Value	94%	87%	<b>77%</b>	<b>73%</b>	70%	70%
	Increase in State Benefit Actuarial Value	0%	0%	<b>4%</b>	<b>3%</b>	0%	0%
<b>Higher Benefit Wrap</b>	State Benefit Actuarial Value	94%	<b>94%</b>	<b>87%</b>	<b>80%</b>	70%	70%
	Increase in State Benefit Actuarial Value	0%	<b>7%</b>	<b>14%</b>	<b>10%</b>	0%	0%

Due to the additional cost-sharing benefit, enrollment within the silver on-Exchange plans for customers between 150 or 200 and 300 percent FPL is estimated to increase. The source of the enrollment uptake are customers with eligible income levels who are 1) currently enrolled on-Exchange in different metal level plans; 2) those who are currently enrolled off-Exchange and may migrate to the silver variant plan on the Exchange; and 3) those who are currently uninsured and may take up coverage in a silver variant plan on the Exchange. Therefore, we have modeled an increase in cost-sharing subsidy eligible enrollment from each source.

### Migration of On and Off-Exchange Enrollees into Silver Plans On-Exchange

Migration of the on and off-Exchange customers into silver plans on-Exchange was modeled based on an elasticity function that measures consumers’ elasticity of demand for insurance generosity, or actuarial value. The change in out of pocket costs considered both differences in the expected average cost-sharing and average premium from switching to a silver plan on-Exchange. Similar to the premium subsidy program, this calculation was done at the individual level, where off Exchange customers were “mapped” to currently enrolled individuals with similar characteristics, such as age, FPL, and county. The difference in out of pocket expenditures for premiums and cost-sharing was then converted into an average actuarial value change.

Once the actuarial value change was estimated, we applied an elasticity function to determine the ultimate migration of customers to silver on-Exchange plans. The elasticity function is based on the published research literature – “we find the consumers’ elasticity of demand for insurance generosity (AV) to be near unit elastic, with estimates of -0.90 at 150 percent FPL, -0.86 at 200



percent FPL, and -1.3 at 250 percent FPL.”<sup>16</sup> We assumed a flat elasticity of -1.3 for incomes between 250 and 300 percent of FPL. Further, we included muting adjustments within the migration calculations that varied by FPL level and Exchange status to reflect a range of reasonable results. Muting adjustments differed to account for some lack of awareness of the cost-sharing subsidy subsidies (which would depend on the level of advertisement and member education provided by the state) and the general level of inertia associated with changing a health insurance plan, among other reasons. Also, utilizers of services are more likely to be incentivized by a cost-sharing benefit subsidy compared to non-utilizers, and studies show enrollees may be more premium sensitive versus cost-sharing sensitive, which further decreases potential migration of customers.

The resulting number of current on-Exchange customers migrating to silver plans on-Exchange is summarized in Table 24. The estimated migration resulted in approximately 2,500 on-Exchange customers migrating to silver on-Exchange plans. As noted in the premium subsidy program development above, we assumed that that none of the customers migrating on-Exchange from off-Exchange would be eligible for federal subsidies and, therefore, also not eligible for state CSR subsidies either. Therefore, we’re assuming that none of the off-Exchange customers would be eligible for the cost-sharing subsidy program and are assuming no migration from off-Exchange to on-Exchange due to this program.

**Table 25: Cost-Sharing Subsidy - Enrollee Migration to On-Exchange Silver Plans by Metal Level and FPL**

CSR Program	Metal	Less than 200%	200%-249%	250%-299%	300%-349%	Over 350%	Total
<b>Lower Benefit Wrap</b>	Catastrophic	0	0	0	0	0	0
	Bronze	0	0	850	370	0	1,220
	Gold	0	0	880	430	0	1,310
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>1,730</b>	<b>800</b>	<b>0</b>	<b>2,530</b>
<b>Higher Benefit Wrap</b>	Catastrophic	0	0	0	0	0	0
	Bronze	4,630	4,630	2,900	920	0	13,080
	Gold	1,150	1,150	1,690	790	0	4,780
	<b>Total</b>	<b>5,780</b>	<b>5,780</b>	<b>4,590</b>	<b>1,710</b>	<b>0</b>	<b>17,860</b>

### Uninsured Taking Up Coverage

The second source of the cost-sharing subsidy enrollment increase is from currently uninsured individuals taking up coverage in silver plans on the Exchange. We applied the aforementioned enrollment elasticity function to the pool of uninsured individuals in Washington, as estimated in Table 12, based on the member cost-sharing benefit decrease. The underlying assumption in this

<sup>16</sup> Do Individuals Respond to Cost-Sharing Subsidies in their Selections of Marketplace Health Insurance Plans? DeLeire, T. et al. Available at [http://terramedica.hsinetwork.com/DeLeire\\_CHES\\_Dec16.pdf](http://terramedica.hsinetwork.com/DeLeire_CHES_Dec16.pdf).

modeling is that the uninsured customers enrolling in the on-Exchange silver plans would have similar demographics as the current silver on-Exchange customers in the same income bracket, with slight morbidity adjustments noted below. The modeling resulted in approximately 600 uninsured customers taking up coverage on the Exchange in silver plans. All of the new consumers have incomes between 200 and 300 percent FPL in the Lower Benefit scenario and between 150 and 300 percent FPL in the Higher Benefit scenario. As a result, the overall market was estimated to increase by 0.3 percent in the Lower Benefit scenario and by 1.2 percent in the Higher Benefit scenario, under the best estimate assumptions.

### **Impact on Allowed Cost Levels**

Allowed costs are expected to change due to the migration of current enrollees to silver plans on the Exchange, increased utilization of services due to the increased richness in cost-sharing benefits, and improved morbidity due to uninsured taking up coverage.

- Adjustments were applied to allowed claims based on the implied morbidity of customers migrating from another plan on the individual market to the silver on-Exchange plans. It's likely that, on average, more customers who are higher utilizers of services may migrate for the new benefit compared to non-utilizing, healthier customers. The implied morbidity was estimated based on Exchange status, FPL, and benefit richness of the cost-sharing subsidy. We assumed customers who migrate are less healthy than the average cohort of customers in which they are migrating from; said another way, allowed claims would be X percent higher (based on varying assumptions) for a bronze member migrating to a silver on-Exchange plan compared to the allowed claims for an average bronze member.
- Then, induced demand adjustments were applied. The increased utilization factors were derived from Wakely's proprietary 2017 national ACA individual database (WACA). The induced demand factors were created by looking at actual utilization differences for different plans and normalizing for differences in demographics and morbidity. For CSR tiers without data (for example, the 77% tier), the results were linearly interpolated. They were applied to allowed claims to reflect a change from the member's base period plan actuarial value, prior to any migration, to the state cost-sharing benefit actuarial value. For example, if a member migrated from a bronze plan to a silver plan and has a FPL of 190 percent (thus in the 200 to 250 percent FPL bucket), the induced demand factor would reflect a shift from an average bronze actuarial value of 60 percent to an average silver actuarial value of 70. Then, an additional 7 percent induced utilization would be assumed due to the state cost-sharing subsidy, which would cover 77 percent of the member's cost-sharing.
- Wakely estimated the marketwide impact to morbidity due to uninsured enrollees taking up coverage for the cost-sharing subsidy program. Based on the aforementioned health reform study from Massachusetts, new market entrants are estimated to have 27 percent

lower morbidity than those already enrolled. This assumes that the population who will take up is the average morbidity of uninsured, which may not be the case if the less healthy uninsured population enrolls due to the richer cost sharing. However, the impact is not large, as it resulted in less than a 0.1 percent reduction in market average costs.

The increase in the allowed cost levels and enrollment in the cost-sharing subsidy also translates to an increase in the federal CSRs, which are funded by carriers through silver premium loading on the Exchange. The increase was approximately 1 percent of total cost-sharing dollars in the Lower Benefit scenario, but approximately 13 percent of total cost-sharing dollars in the Higher Benefit scenario, prior to any cost-sharing subsidy impacts. This may warrant a shift in the carriers' silver loading on the Exchange premium rates. While this could increase the Silver plan premiums on the Exchange, the benchmark premium and therefore premium subsidies would also increase, offsetting the impact on the portion of premium that is the member responsibility for subsidy eligible customers.

## **Summary of Best Estimate Results**

A high level summary of the cost-sharing subsidy program, including the total cost of the program, cost-sharing value PMPM, and a breakdown of enrollment by FPL, is presented in Table 26. The dollar value PMPM below reflects the average reduction in the portion of incurred health costs that would be the member's responsibility without the cost-sharing subsidy program and would be newly covered by the state subsidy program.

**Table 26: Cost Sharing Subsidy Program – Best Estimate**

CSR Program	Impact of Wrap	<150% FPL	150%-199% FPL	200%-249% FPL	250%-299% FPL	Total
<b>Lower Benefit Wrap</b>	State Cost of Wrap	\$0	\$0	\$5,200,000	\$1,600,000	\$6,800,000
	\$ Value PMPM	\$0.00	\$0.00	\$29.92	\$22.21	\$7.70
	Total Customers Enrolled in CSR Plan	23,730	29,330	14,400	6,090	73,550
	Customers Currently Enrolled in CSR Plan	23,730	29,330	12,310	0	65,370
	New Customers Currently Enrolled in Non-CSR Plan	0	0	1,730	5,810	7,540
	New Customers From Currently Uninsured	0	0	360	280	640
<b>Higher Benefit Wrap</b>	State Cost of Wrap	\$0	\$21,200,000	\$23,700,000	\$7,900,000	\$52,900,000
	\$ Value PMPM	\$0.00	\$49.82	\$108.96	\$86.20	\$51.81
	Total Customers Enrolled in CSR Plan	23,730	35,520	18,150	7,640	85,040
	Customers Currently Enrolled in CSR Plan	23,730	29,340	12,310	0	65,380
	New Customers Currently Enrolled in Non-CSR Plan	0	5,780	4,570	6,720	17,070
	New Customers From Currently Uninsured	0	400	1,270	920	2,590

### Range of Results

In the low and high scenarios, the cost-sharing subsidy benefit was unchanged from the best estimate. The scenarios reflect estimated enrollment impacts. In the low scenario, the proportion of customers migrating from off-Exchange and on-Exchange to silver plans as well as uninsured taking up coverage was dampened. Conversely, in the high scenario, eligible enrollees increased due to migration and from the uninsured compared to the best estimate. As a result, the estimated state funding for the cost-sharing subsidy program decreased from \$6.8 million in the best estimate scenario to \$6.1 million in the low scenario and increased to \$7.3 million in the high scenario.

A high level summary of the cost-sharing subsidy programs under the low and high scenarios, including the total cost of the programs, cost-sharing value PMPM, and a breakdown of enrollment by FPL, are presented in Tables 27 and 28.

**Table 27: Cost Sharing Subsidy Program – Low Scenario**

CSR Program	Impact of Wrap	<150% FPL	150%-199% FPL	200%-249% FPL	250%-299% FPL	Total
<b>Lower Benefit Wrap</b>	State Cost of Wrap	\$0	\$0	\$4,700,000	\$1,500,000	\$6,100,000
	\$ Value PMPM	\$0.00	\$0.00	\$32.32	\$23.91	\$8.18
	Total Customers Enrolled in CSR Plan	20,250	25,030	12,050	5,070	62,400
	Customers Currently Enrolled in CSR Plan	20,250	25,030	10,490	0	55,770
	New Customers Currently Enrolled in Non-CSR Plan	0	0	1,330	4,900	6,230
	New Customers From Currently Uninsured	0	0	230	170	400
<b>Higher Benefit Wrap</b>	State Cost of Wrap	\$0	\$18,800,000	\$21,000,000	\$6,900,000	\$46,600,000
	\$ Value PMPM	\$0.00	\$54.15	\$117.60	\$93.13	\$55.38
	Total Customers Enrolled in CSR Plan	20,250	28,920	14,850	6,170	70,190
	Customers Currently Enrolled in CSR Plan	20,250	25,040	10,490	0	55,780
	New Customers Currently Enrolled in Non-CSR Plan	0	3,620	3,560	5,590	12,770
	New Customers From Currently Uninsured	0	260	800	580	1,640

**Table 18: Cost Sharing Subsidy Program – High Scenario**

CSR Program	Impact of Wrap	<150% FPL	150%-199% FPL	200%-249% FPL	250%-299% FPL	Total
<b>Lower Benefit Wrap</b>	State Cost of Wrap	\$0	\$0	\$5,600,000	\$1,800,000	\$7,300,000
	\$ Value PMPM	\$0.00	\$0.00	\$27.30	\$20.29	\$7.11
	Total Customers Enrolled in CSR Plan	27,630	34,150	17,030	7,230	86,040
	Customers Currently Enrolled in CSR Plan	27,630	34,150	14,340	0	76,120
	New Customers Currently Enrolled in Non-CSR Plan	0	0	2,180	6,840	9,020
	New Customers From Currently Uninsured	0	0	510	390	900
<b>Higher Benefit Wrap</b>	State Cost of Wrap	\$0	\$22,900,000	\$26,100,000	\$8,700,000	\$57,700,000
	\$ Value PMPM	\$0.00	\$45.21	\$99.40	\$78.55	\$47.62
	Total Customers Enrolled in CSR Plan	27,630	42,190	21,840	9,270	100,930
	Customers Currently Enrolled in CSR Plan	27,630	34,150	14,340	0	76,120
	New Customers Currently Enrolled in Non-CSR Plan	0	7,470	5,710	7,970	21,150
	New Customers From Currently Uninsured	0	570	1,790	1300	3,660

## Appendix D: Methodology and Results – Financing Options

In addition to reviewing the estimated cost of the premium subsidy and Cost-Sharing subsidy programs, WAHBE tasked Wakely with estimating the assessment or tax required under three different financing scenarios. These scenarios are based on calculations utilized in prior proposals in the state of Washington and are not meant to represent the only options available but rather to provide a comparison point for the funds needed for the programs in this analysis relative to prior programs that have been reviewed. The three funding scenarios reviewed are described below:

- Covered Lives Assessment – This assessment applies a per member per month charge for all covered lives.
- Premium Tax – This tax charges a percent of premiums collected.
- Claims Tax – This tax charges a percent of claim costs paid to medical and drug providers. It is our assumption that all claims will be included in this assessment, including both fee for service paid claims and capitation arrangements between issuers and providers.

Each of the financing options reviewed will spread the cost of the program across more than just the individual market, including small group and large group markets. Which markets will be included depends on the option reviewed. The table below shows which markets are included for each financing option reviewed.

**Table 29: Financing Options Applicable Markets**

Market	Covered Lives Assessment	Premium Tax	Claims Tax
Individual	Y	Y	Y
Large Group Fully-Funded	Y	Y	Y
Small Group	Y	Y	Y
Managed Care Organizations (MCOs)	Y	Y	Y
Other Health (Dental and Vision Only, MedSupp)	N	Y	N
Medicare Advantage	N	N	N
TPAs and Employers (Self-Funded)	Y	N	Y

In this analysis, we did not evaluate whether or not certain markets could be assessed or the operations/costs needed to collect the funds. These estimates were meant to be illustrative only. WAHBE should review the viability of these options with other entities in the state of Washington prior to implementation. Should the markets assessed vary from those shown above, the resulting assessment or tax required may differ significantly from those shown in this report.

For all markets except the individual market and TPAs and Employers, the 2019 year-end NAIC Stat filings were used as the starting point for the estimate. The Supplemental Healthcare Exhibit

page 1 contains premium, claims, and enrollment information for each of the markets above. In all financing options, we assumed that prior year experience would be the basis for the current year’s assessment or tax. So the 2022 financing to fund the subsidy program would be based on 2021 experience. Therefore, historical enrollment and premium PMPM trends were used to move the 2019 year-end date forward to 2021. In addition to applying the historical trends, an adjustment was made to reflect the impact of COVID-19, using the same methodology as described in the Baseline section above. To estimate claim costs in 2021, the average historical claim-to-premium ratio by market was applied to the projected premiums described above. Wakely assumed that funds collected efficiently and timely enough in 2022 to cover costs as needed.

For the individual market, the enrollment and premium estimates are consistent with the premium subsidy program being modeled. Therefore, these estimates vary based on the program being analyzed, though all are based on the best estimate scenario for each program. Claims were estimated similarly to other markets, using the historical claims-to-premium ratio.

Very little information is available for the TPA and employer market. Enrollment in these plans was estimated based on the previously described census data, taking the total insured estimate in Washington and removing enrollment in all the other markets above. Claims were assumed to be a similar PMPM as the large group fully-funded market.

The resulting estimates were provided to WAHBE and reviewed for reasonableness.

The table below reflects the estimated membership, premium, and claims estimates by market. The Individual market data is based on the baseline Enhanced APTC Scenario.

**Table 30: Financing Assessment Applicable Funds**

Market	Member Months	Premium - Before Assessment (\$ Millions)	Claims (\$Millions)
Individual	2,800,000	\$1,595.8	\$1,176.3
Large Group Fully-Funded	11,490,000	\$5,677.8	\$4,557.4
Small Group	3,580,000	\$1,692.5	\$1,434.3
MCOs	14,570,000	\$3,702.8	\$3,146.6
Other Health (Dental and Vision Only, MedSupp)	29,270,000	\$649.7	\$543.1
Medicare Advantage	N/A	N/A	N/A
TPAs and Employers	29,260,000	N/A	\$11,603.3



## Appendix E – State-Sponsored Premium Assistance Program Summary

State	Type of financial assistance	Additional Information	Eligibility
<b>Massachusetts</b>	Premium subsidy	State provides premium subsidies for enrollees with incomes up to 300% FPL.	Available to all individuals under 300% FPL who are eligible for APTCs and purchase a Silver plan.
	Cost-sharing subsidy	Individuals must purchase lowest-cost silver plan to receive state premium assistance <i>and federal-APTCs (with annual exceptions provided to allow purchase of other plans)</i>	Individuals in this program have a smaller number of participating carriers/plans to choose from.
<b>Minnesota</b>	Premium subsidy  (2017 only)	For 2017 only, state provided premium subsidies for enrollees not eligible for federal premium tax credits, Medicaid, or the Basic Health Program	Individuals 138% - 200% FPL
<b>Vermont</b>	Premium subsidy	State provides sliding-scale premium and cost-sharing subsidies for enrollees with incomes up to 300% FPL (subsidies are in addition to federal premium tax credits and cost-sharing assistance)	Individuals are eligible for Vermont Premium Assistance if they are at or below 300% FPL and enroll in a QHP
	Cost-sharing subsidy		Any metal level for the premium subsidy, silver only for CSRs
<b>New York</b>	Basic Health	Offers a Basic Health Program (Essential Plan) available to those under 200% FPL, under 65, without access to other sponsored programs (CHIP, Medicaid)	Individuals at or below 200% FPL

State	Type of financial assistance	Additional Information	Eligibility
<b>California</b>	Premium Subsidy	Provides state-APTC premium subsidies to Californian's earning between 400-600% FPL. Premiums for those earning 600% of the FPL are capped at 18% of income.	Individuals up to 400% FPL who are eligible for APTCs and individuals between 400-600% FPL
<b>New Jersey</b>	Premium Subsidy  (Beginning 2021)	Premium subsidies for individuals earning up to 400% FPL, w/ an estimated annual subsidy of \$564 (individual) / \$2,256 (family of 4). With a new Exchange, NJ has no mechanism for targeting subsidies in year one and is anticipated to provide a flat-dollar subsidy.	<i>Individuals up to 400% FPL. Unclear yet whether eligibility will be tied to federal APTCs.</i>
<b>Colorado</b>	Premium Subsidy  (Beginning 2022)	Beginning in 2022, Colorado will provide funds from its HIT tax to fund subsidies for individuals receiving APTCs and under 300% FPL and ineligible for APTCs.	All individuals up to 300% FPL and individuals 300-400% FPL and eligible for federal APTCs. Must not be eligible for Medicaid, Medicare, or CHIP.
<b>Maryland</b>	<i>Studying Premium Subsidies</i>	<i>Analyzing impact of premium subsidies targeting: (1) Individuals between ages 18-34 earning under 400% FPL; and (2) Adults w/ incomes between 400-600% FPL.</i>	<i>Program parameters not yet set.</i>

## Appendix F: Reliances and Caveats

### Reliances

Wakely has utilized data provided by WAHBE as well as public data in the analyses described in this report.

- 2019 and 2020 enrollment data through September 2020, including county, plan, metal level, premiums (before and after APTC), APTC, household, income, age, race, ethnicity, effectuation status
- 2021 Final Rate data for all carriers by plan, age, and county
- OFM FPL and Immigration Status of the Uninsured: 2018
- Information on implementation considerations and requirements for WAHBE to administer the programs discussed in this report

In addition to the data described above, Wakely relied on the following public data sources to inform the assumptions used in the analyses:

- Small Area Health Insurance Estimates: 2018<sup>17</sup>
- Medical Loss Ratio Data: Public Use File for 2018<sup>18</sup>
- Summary Report on Permanent Risk Adjustment Transfers for the 2019 Benefit Year<sup>19</sup>
- Robert Wood Johnson Foundation and Urban Institute “How the COVID-19 Recession Could Affect Health Insurance Coverage”<sup>20</sup>
- Congressional Budget Office (CBO) Background Paper “The Price Sensitivity of Demand for Nongroup Health Insurance”<sup>21</sup>
- CBO “How CBO and JCT Analyzed Coverage Effects of New Rules for Association Health Plans and Short-Term Plans”<sup>22</sup>

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<sup>17</sup> <https://www.census.gov/library/publications/2020/demo/p30-07.html>

<sup>18</sup> <https://www.cms.gov/CCIIO/Resources/Data-Resources/Downloads/Public-Use-File-2018.zip>

<sup>19</sup> <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/RA-Report-BY2019.pdf>

<sup>20</sup> <https://www.rwjf.org/en/library/research/2020/05/how-the-covid-19-recession-could-affect-health-insurance-coverage.html>

<sup>21</sup> <https://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/66xx/doc6620/08-24-healthinsurance.pdf>

<sup>22</sup> [https://www.cbo.gov/system/files/2019-01/54915-New\\_Rules\\_for\\_AHPs\\_STPs.pdf](https://www.cbo.gov/system/files/2019-01/54915-New_Rules_for_AHPs_STPs.pdf)

- Kaiser Family Foundation Distribution of Nonelderly Uninsured Individuals who are Ineligible for Financial Assistance<sup>23</sup>
- Uniform Rate Review Templates for 2020 plan filings<sup>24</sup>
- Do Individuals Respond to Cost-Sharing Subsidies in their Selections of Marketplace Health Insurance Plans? DeLeire, T. et al.<sup>25</sup>

## Caveats

The following are additional caveats that could have an impact on results:

- **Data Limitations.** The entire year of 2020 was not yet available. As a result, there is uncertainty on attrition patterns or other changes to the 2020 year. Changes to base estimates could influence estimates. Secondly, income data was not available for a large portion of the on-Exchange enrollment and for the off-Exchange customers. It is assumed that these customers would not be eligible for state subsidies due to higher incomes. To the extent these customers would be eligible for state subsidies, the cost estimates could be understated. Finally, data on individual market income levels includes a certain level of error and unknown. The extent to which incomes of either the currently insured or uninsured differ from the estimates may result in material changes in the estimates.
- **Political Uncertainty.** There is significant policy uncertainty. Future federal actions such as additional unemployment insurance payments or other Federal actions could change the estimates enclosed in this report. Additionally, the timing of the end of the Federal emergency declaration over COVID-19 could affect enrollment. Changes to Federal laws and regulations may also impact the estimates. Finally, policy changes at the state level, such as regulations around standard plan designs or public option.
- **Enrollment Uncertainty.** Additionally, there is enrollment uncertainty. Beyond changes to potential rates and policy, individual member or firm responses to these changes also has uncertainty. There is considerable uncertainty as to enrollment patterns due to the economic downturn.

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<sup>23</sup> <https://www.kff.org/health-reform/state-indicator/distribution-of-nonelderly-uninsured-individuals-who-are-ineligible-for-financial-assistance-due-to-income-offer-of-employer-coverage-or-citizenship-status/?currentTimeframe=0&sortModel=%7B%22collId%22:%22Location%22,%22sort%22:%22asc%22%7D>

<sup>24</sup> <https://www.cms.gov/CCIIO/Resources/Data-Resources/ratereview>

<sup>25</sup> [http://terramedica.hsnetwork.com/DeLeire\\_CHES\\_Dec16.pdf](http://terramedica.hsnetwork.com/DeLeire_CHES_Dec16.pdf).

- **Premium Uncertainty.** Given the potential change in enrollment, metal level enrollment decisions, or other enrollment decisions could influence the average premium in the market.
- **Economic Uncertainty.** There remains considerable uncertainty as to the economic conditions in 2021 and 2022, which could impact the number of uninsured as well those with employer-sponsored insurance coverage, which could impact enrollment and premium levels. This uncertainty could impact both the costs of the programs and financing options.
- **Implementation Uncertainty.** There is significant uncertainty as to how many of programs above would be implemented. How the programs are ultimately implemented could have material impact on enrollment and costs. For example, the method and potential reconciliation of income data. For purposes of this analysis, Wakely assumed reported income would be used for determination of subsidy eligibility. The extent to which verification of income or after the benefit year reconciliation is different from those assumptions could impact the estimates contained in this report. Similarly, Wakely did not account for any interactions with the current Health Reimbursement Arrangements (HRA) requirements. Eligibility for the program based on employer offers could influence the number of firms that shift employees into the individual market and therefore impact the estimates. Finally, Wakely did not include any costs associated with implementation or assume that those costs (or other costs) would impact the available of funds for the programs analyzed.

## Appendix G: Disclosures and Limitations

**Responsible Actuaries.** Brittney Phillips is the actuary responsible for this communication. Brittney is an Associate of the Society of Actuaries and Member of the American Academy of Actuaries. They meet the Qualification Standards of the American Academy of Actuaries to issue this report. Julie Peper, Michael Cohen, and Brooke Steiner also were key contributors to the analyses and report.

**Scope of Services.** Unless otherwise explicitly indicated, Wakely's work is limited to actuarial estimates and related consulting services. Wakely is not providing accounting or legal advice. The users of this report should retain its own experts in these areas. In addition, Washington is responsible for successful administrative operations of all of its programs, including those which are the subject of Wakely's actuarial work. Further, Wakely strongly recommends that Washington carefully monitor emerging experience in order to identify and address issues as quickly and completely as possible.

**Intended Users.** This information has been prepared for the sole use of WAHBE and cannot be distributed to or relied on by any third party without the prior written permission of Wakely. We do recognize and grant that the report can be used in the development of the broader proposal for the state premium subsidy that will be submitted to the Washington Legislature in November 2020. Distribution to such parties should be made in its entirety and should be evaluated only by qualified users. It may be difficult for a non-actuarial audience to fully comprehend the information provided in the report. Therefore, it may be prudent to use actuarial experts to interpret the results.

**Risks, and Uncertainties.** The assumptions and resulting estimates included in this report and produced by the modeling are inherently uncertain. Users of the results should be qualified to use it and understand the results and the inherent uncertainty. Actual results may vary, potentially materially, from our estimates. Wakely does not warrant or guarantee that WAHBE or Washington carriers will attain the estimated values included in the report. It is the responsibility of those receiving this output to review the assumptions carefully and notify Wakely of any potential concerns.

**Conflict of Interest.** Wakely provides actuarial services to a variety of clients throughout the health industry. Our clients include commercial, Medicare, and Medicaid health plans, the federal government and state governments, medical providers, and other entities that operate in the domestic and international health insurance markets. Wakely has implemented various internal practices to reduce or eliminate conflict of interest risk in serving our various clients. Except as noted here, the responsible actuary is financially independent and free from conflict concerning all matters related to performing the actuarial services underlying this analysis. In addition, Wakely is organizationally and financially independent to WAHBE.

**Data and Reliance.** We have relied on others for data and assumptions used in the assignment. We have reviewed the data for reasonableness but have not performed any independent audit or otherwise verified the accuracy of the data/information. If the underlying information is incomplete or inaccurate, our estimates may be impacted, potentially significantly. The information included in the 'Methodology and Assumptions' and 'Reliances' sections identifies the key data and reliances.

**Subsequent Events.** These analyses are based on the implicit assumption that the ACA will continue to be in effect in future years with no material change. Material changes in state or federal laws regarding health benefit plans may have a material impact on the results included in this report. Material changes as a result of new federal or state laws or regulations may also have a material impact on the results. Changes to current Washington practice of loading CSR amounts to Silver plans only could also impact the results. The full impact of the COVID-19 pandemic is unknown at the time of this report. The pandemic is a significant source of uncertainty that could have a material impact on Exchange enrollment and needed funding in 2022. There are no other known relevant events subsequent to the date of information received that would impact the results of this report.

**Contents of Actuarial Report.** This document and the supporting exhibits/files constitutes the entirety of actuarial report and supersede any previous communications on the project.

**Deviations from ASOPs.** Wakely completed the analyses using sound actuarial practice. To the best of our knowledge, the report and methods used in the analyses are in compliance with the appropriate ASOPs with no known deviations. A summary of ASOP compliance is listed below:

ASOP No. 23, Data Quality

ASOP No. 41, Actuarial Communication

ASOP No. 56, Modeling

## Appendix H: Premium Subsidy Program - Summary Metrics

### Scenario: Baseline - Best Estimate

#### Key Metrics

\$701,706,000 Total Federal Subsidies

85.7% % of Individuals under 500% FPL who can purchase benchmark (second lowest cost silver) plan for less than 10% of income

#### By FPL

Baseline	< 139%	139-150%	151-200%	201-250%	251-300%	301-400%	401-500%	501-600%	Over 600%	Did Not Report	Total
Enrollment	13,496	14,263	42,075	28,021	19,280	26,997	9,442	4,689	8,078	43,135	209,476
Distribution	6.4%	6.8%	20.1%	13.4%	9.2%	12.9%	4.5%	2.2%	3.9%	20.6%	100.0%
Members Receiving Federal Subsidies	12,678	13,814	40,184	25,754	16,448	20,331				147	129,357
% Receiving Federal Subsidies	93.9%	96.9%	95.5%	91.9%	85.3%	75.3%	0.0%	0.0%	0.0%	0.3%	61.8%
Average Subsidy PMPM (Federal)	\$575.22	\$529.28	\$477.84	\$434.06	\$391.88	\$342.76	\$0.00	\$0.00	\$0.00	\$517.26	\$452.05
Average Net Premium PMPM with Federal Subsidy	\$32.35	\$81.86	\$115.34	\$171.19	\$231.19	\$264.32	\$0.00	\$0.00	\$0.00	\$430.48	\$153.25
Members Not Receiving Federal Subsidies	818	449	1,891	2,266	2,833	6,666	9,442	4,689	8,078	42,988	80,119
% Not Receiving Federal Subsidies	6.1%	3.1%	4.5%	8.1%	14.7%	24.7%	100.0%	100.0%	100.0%	99.7%	38.2%
Average Net Premium PMPM without Federal Subsidy	\$650.53	\$539.01	\$498.21	\$464.41	\$436.81	\$406.25	\$508.93	\$527.38	\$545.55	\$552.16	\$525.91

Uninsured	< 139%	139-150%	151-200%	201-250%	251-300%	301-400%	401-500%	501-600%	Over 600%	Did Not Report	Total
Uninsured - QHP Eligible	59,609	9,851	30,013	29,590	27,204	32,903	38,483	18,796	32,267	-	278,716
Distribution Uninsured	21.4%	3.5%	10.8%	10.6%	9.8%	11.8%	13.8%	6.7%	11.6%	0.0%	100.0%
Uninsured - Eligible for Federal Subsidies	58,194	9,303	27,393	27,274	24,447	27,004				-	173,616



**Scenario: Baseline - Best Estimate**

**By Age**

Baseline	17 and under	18-34	35-54	55 and over	Total
Enrollment	15,237	50,643	75,236	68,359	209,476
Distribution	7.3%	24.2%	35.9%	32.6%	100.0%
Members Receiving Federal Subsidies	2,682	31,915	47,341	47,418	129,357
% Receiving Federal Subsidies	17.6%	63.0%	62.9%	69.4%	61.8%
Average Subsidy PMPM (Federal)	\$126.43	\$231.47	\$354.78	\$716.04	\$452.05
Average Net Premium PMPM with Federal Subsidy	\$145.04	\$122.82	\$154.09	\$173.37	\$153.25
Members Not Receiving Federal Subsidies	12,554	18,728	27,896	20,941	80,119
% Not Receiving Federal Subsidies	82.4%	37.0%	37.1%	30.6%	38.2%
Average Net Premium PMPM without Federal Subsidy	\$259.16	\$344.36	\$506.90	\$873.51	\$525.91

Uninsured	17 and under	18-34	35-54	55 and over	Total
Uninsured - QHP Eligible	21,337	104,814	108,930	43,635	278,716
Distribution Uninsured	7.7%	37.6%	39.1%	15.7%	100.0%
Uninsured - Eligible for Federal Subsidies	11,491	70,377	67,451	24,297	173,616

**On-Exchange Enrollment Estimates by Age and FPL**

FPL	17 and under	18-34	35-54	55 and over	Total
<139	247	3,743	4,877	4,628	<b>13,496</b>
139-150%	8	3,972	5,595	4,688	<b>14,263</b>
151-200%	41	12,886	15,875	13,273	<b>42,075</b>
201-250%	98	7,768	10,311	9,844	<b>28,021</b>
251-300%	115	4,639	7,211	7,316	<b>19,280</b>
301-400%	3,683	5,145	8,581	9,589	<b>26,997</b>
401-500%	1,616	1,953	3,397	2,476	<b>9,442</b>
501-600%	715	929	1,683	1,362	<b>4,689</b>
OVER 600	1,235	1,478	3,041	2,325	<b>8,078</b>
Did not report	7,480	8,131	14,666	12,858	<b>43,135</b>
<b>Total</b>	<b>15,237</b>	<b>50,643</b>	<b>75,236</b>	<b>68,359</b>	<b>209,476</b>

**Scenario: Enhanced APTC - Best Estimate**

**Key Metrics**

\$216,937,000 Total State Funding  
 \$750,411,000 Total Federal Subsidies (+\$48,705,000 change from baseline)  
 19,674 Number of Uninsured Gaining Coverage  
 175,391 Number of Members Receiving State Subsidies  
 \$1,236.90 Average State Subsidies per Receiving Member per Year  
 100.0% % of Individuals under 500% FPL who can purchase benchmark (second lowest cost silver) plan for less than 10% of income  
 -2.1% Premium / Morbidity Impact due to New Members

Average Members	Baseline	With State Subsidies	Add Off Exchange	Add Uninsured	Total On Exchange with State Subsidy Program	Change
Receiving Only Federal Subsidies	129,357	147	-	-	147	(129,210)
Receiving Only State Subsidies	-	22,459	4,049	9,179	35,687	35,687
Receiving Federal and State Subsidies	-	129,210	-	10,495	139,704	139,704
Unsubsidized	80,119	57,660	-	-	57,660	(22,459)
Total	209,476	209,476	4,049	19,674	233,198	23,722
% Subsidized (Fed and/or State)	61.8%	72.5%	100.0%	100.0%	75.3%	

**Scenario: Enhanced APTC - Best Estimate**

**By FPL**

	< 139%	139-150%	151-200%	201-250%	251-300%	301-400%	401-500%	501-600%	Over 600%	Did Not Report	Total
On-Exchange Enrollment	15,825	14,809	44,229	31,030	22,774	31,332	17,298	4,689	8,078	43,135	<b>233,198</b>
Distribution	6.8%	6.4%	19.0%	13.3%	9.8%	13.4%	7.4%	2.0%	3.5%	18.5%	<b>100.0%</b>
Total Members Receiving State Subsidies	15,821	14,809	44,229	31,029	22,772	31,247	15,485				<b>175,391</b>
% Receiving State Subsidies	100.0%	100.0%	100.0%	100.0%	100.0%	99.7%	89.5%	0.0%	0.0%	0.0%	<b>75.2%</b>
Unsubsidized Members	3			1	2	85	1,813	4,689	8,078	42,988	<b>57,660</b>
Average Net Premium PMPM	\$132.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$333.08	\$516.47	\$534.26	\$540.74	<b>\$530.48</b>
Change in Avg Net Premium PMPM (\$)	-\$2.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$7.04	-\$10.91	-\$11.29	-\$11.42	<b>-\$11.21</b>
Change in Avg Net Premium PMPM (%)	-2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	-2.1%	-2.1%	-2.1%	-2.1%	<b>-2.1%</b>
Members Receiving Federal and State Subsidies	14,767	14,181	41,539	27,825	18,796	22,597	-	-	-	-	<b>139,704</b>
Average Federal Subsidy PMPM	\$572.05	\$519.58	\$469.88	\$429.87	\$390.90	\$345.95	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$447.08</b>
Average State Subsidy PMPM	\$14.93	\$21.36	\$31.98	\$54.08	\$73.77	\$60.94	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$43.81</b>
Average Net Premium PMPM	\$15.53	\$58.14	\$79.87	\$110.48	\$147.69	\$195.61	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$104.80</b>
Change in Avg Net Premium PMPM (\$)	-\$15.58	-\$23.04	-\$34.35	-\$57.55	-\$78.45	-\$66.36	\$0.00	\$0.00	\$0.00	\$0.00	<b>-\$46.95</b>
Change in Avg Net Premium PMPM (%)	-50.1%	-28.4%	-30.1%	-34.3%	-34.7%	-25.3%	0.0%	0.0%	0.0%	0.0%	<b>-30.9%</b>
Members Receiving Only State Subsidies	1,055	628	2,690	3,204	3,976	8,650	15,485	-	-	-	<b>35,687</b>
Average Subsidy PMPM (State)	\$438.47	\$478.13	\$430.28	\$381.10	\$327.56	\$246.26	\$347.75	\$0.00	\$0.00	\$0.00	<b>\$335.09</b>
Average Net Premium PMPM	\$187.89	\$61.71	\$69.28	\$90.87	\$127.97	\$194.69	\$269.69	\$0.00	\$0.00	\$0.00	<b>\$198.49</b>
Change in Avg Net Premium PMPM (\$)	-\$451.71	-\$489.53	-\$440.84	-\$391.07	-\$337.18	-\$255.57	-\$360.79	\$0.00	\$0.00	\$0.00	<b>-\$346.36</b>
Change in Avg Net Premium PMPM (%)	-70.6%	-88.8%	-86.4%	-81.1%	-72.5%	-56.8%	-57.2%	0.0%	0.0%	0.0%	<b>-63.6%</b>
<b>New Enrollees</b>											
Estimated Take-Up Uninsured	2,146	421	1,636	2,421	2,879	3,386	6,785	-	-	-	<b>19,674</b>
% Uninsured Take-Up	3.6%	4.3%	5.5%	8.2%	10.6%	10.3%	17.6%	0.0%	0.0%	0.0%	<b>7.1%</b>
Migration from Off-Exchange	182	125	518	589	615	948	1,071	-	-	-	<b>4,049</b>
% Off-Exchange Take-Up	30.4%	36.4%	34.9%	32.4%	27.7%	19.1%	15.2%	0.0%	0.0%	0.0%	<b>14.7%</b>

**Scenario: Enhanced APTC - Best Estimate**

**By Age**

	17 and under	18-34	35-54	55 and over	Total
On-Exchange Enrollment	15,850	53,847	83,202	80,300	<b>233,198</b>
Distribution	6.8%	23.1%	35.7%	34.4%	<b>100.0%</b>
Total Members Receiving State Subsidies	6,028	42,296	63,312	63,754	<b>175,391</b>
% Receiving State Subsidies	38.0%	78.5%	76.1%	79.4%	<b>75.2%</b>
Unsubsidized Members	9,746	11,520	19,869	16,525	<b>57,660</b>
<b>Members Receiving Federal and State Subsidies</b>	<b>2,691</b>	<b>33,399</b>	<b>50,918</b>	<b>52,696</b>	<b>139,704</b>
Average Federal Subsidy PMPM	\$116.78	\$225.71	\$348.55	\$699.47	<b>\$447.08</b>
Average State Subsidy PMPM	\$13.70	\$42.97	\$40.35	\$49.21	<b>\$43.81</b>
Average Net Premium PMPM	\$118.10	\$77.22	\$109.37	\$117.19	<b>\$104.80</b>
Change in Avg Net Premium PMPM (\$)	-\$16.49	-\$45.51	-\$43.52	-\$52.73	<b>-\$46.95</b>
Change in Avg Net Premium PMPM (%)	-12.3%	-37.1%	-28.5%	-31.0%	<b>-30.9%</b>
<b>Members Receiving Only State Subsidies</b>	<b>3,337</b>	<b>8,897</b>	<b>12,394</b>	<b>11,059</b>	<b>35,687</b>
Average Subsidy PMPM (State)	\$115.96	\$177.58	\$280.26	\$589.38	<b>\$335.09</b>
Average Net Premium PMPM	\$157.20	\$151.76	\$207.88	\$238.02	<b>\$198.49</b>
Change in Avg Net Premium PMPM (\$)	-\$121.73	-\$184.54	-\$290.57	-\$606.86	<b>-\$346.36</b>
Change in Avg Net Premium PMPM (%)	-43.6%	-54.9%	-58.3%	-71.8%	<b>-63.6%</b>

<b>New Enrollees</b>	17 and under	18-34	35-54	55 and over	Total
Estimated Take-Up Uninsured	210	1,992	6,560	10,911	<b>19,674</b>
% Uninsured Take-Up	1.0%	1.9%	6.0%	25.0%	<b>7.1%</b>
Migration from Off-Exchange	402	1,211	1,405	1,030	<b>4,049</b>
% Off-Exchange Take-Up	10.4%	15.5%	14.5%	16.7%	<b>14.7%</b>

**On-Exchange Enrollment Estimates by Age and FPL**

<b>FPL</b>	17 and under	18-34	35-54	55 and over	Total
<139	306	4,142	5,792	5,585	<b>15,825</b>
139-150%	9	4,105	5,808	4,887	<b>14,809</b>
151-200%	61	13,446	16,665	14,057	<b>44,229</b>
201-250%	135	8,415	11,392	11,088	<b>31,030</b>
251-300%	134	5,293	8,456	8,892	<b>22,774</b>
301-400%	3,918	5,651	9,968	11,794	<b>31,332</b>
401-500%	1,857	2,258	5,732	7,451	<b>17,298</b>
501-600%	715	929	1,683	1,362	<b>4,689</b>
OVER 600	1,235	1,478	3,041	2,325	<b>8,078</b>
Did not report	7,480	8,131	14,666	12,858	<b>43,135</b>
<b>Total</b>	<b>15,850</b>	<b>53,847</b>	<b>83,202</b>	<b>80,300</b>	<b>233,198</b>

**Scenario: Enhanced APTC - Best Estimate**

**Summary of Enrollment Take-Up due to State Premium Subsidy By Ethnicity and Race**

Ethnicity	Federal Subsidy Eligible Uninsured Pool	Federal Subsidy Eligible Uninsured Take-Up	% Federal Subsidy Eligible Uninsured Take-Up	Unsubsidized (Federal) Uninsured Pool	Unsubsidized (Federal) Eligible Uninsured Take-Up	% Unsubsidized (Federal) Uninsured Take-Up	Off-Exchange Membership	Off-Exchange Migration to On-Exchange	% Off-Exchange Migration
Not Reported	-	-	0.0%	-	-	0.0%	-	-	0.0%
Not Spanish/Hispanic	60,515	3,380	5.6%	32,545	2,446	7.5%	8,554	1,300	15.2%
Spanish/Hispanic (Any)	113,101	7,114	6.3%	72,555	6,733	9.3%	19,057	2,748	14.4%
<b>Total</b>	<b>173,616</b>	<b>10,495</b>	<b>6.0%</b>	<b>105,100</b>	<b>9,179</b>	<b>8.7%</b>	<b>27,611</b>	<b>4,049</b>	<b>14.7%</b>

Race	Federal Subsidy Eligible Uninsured Pool	Federal Subsidy Eligible Uninsured Take-Up	% Federal Subsidy Eligible Uninsured Take-Up	Unsubsidized (Federal) Uninsured Pool	Unsubsidized (Federal) Eligible Uninsured Take-Up	% Unsubsidized (Federal) Uninsured Take-Up	Off-Exchange Membership	Off-Exchange Migration to On-Exchange	% Off-Exchange Migration
American Indian/Alaska Native	1,358	114	8.4%	957	83	8.7%	257	46	17.8%
Asian Indian	6,646	270	4.1%	2,633	140	5.3%	591	73	12.4%
Black/African American	3,807	188	4.9%	1,681	83	5.0%	415	72	17.4%
Cambodian	558	36	6.4%	182	12	6.6%	45	6	14.1%
Chinese	7,665	446	5.8%	2,943	189	6.4%	745	96	13.0%
Filipino	2,801	145	5.2%	939	71	7.6%	241	41	17.1%
Guamanian	60	4	6.5%	50	3	5.9%	12	2	13.2%
Hawaiian	151	8	5.4%	144	9	6.6%	34	7	21.8%
Japanese	655	47	7.2%	766	70	9.1%	178	28	15.5%
Korean	2,828	178	6.3%	1,696	105	6.2%	362	38	10.5%
Laotian	161	8	4.8%	52	4	7.7%	20	3	15.1%
Other Asian/Pacific Islander	7,837	328	4.2%	738	47	6.4%	220	39	17.6%
Other Race	10,182	394	3.9%	2,776	143	5.1%	716	107	14.9%
Samoan	71	3	4.9%	13	0	2.1%	5	1	16.5%
Thai	508	24	4.7%	302	12	4.0%	68	7	9.9%
Unreported	42,015	2,491	5.9%	25,591	2,429	9.5%	6,737	956	14.2%
Vietnamese	9,014	408	4.5%	1,942	91	4.7%	435	59	13.6%
White	77,299	5,404	7.0%	61,695	5,686	9.2%	16,529	2,468	14.9%
<b>Total</b>	<b>173,616</b>	<b>10,495</b>	<b>6.0%</b>	<b>105,100</b>	<b>9,179</b>	<b>8.7%</b>	<b>27,611</b>	<b>4,049</b>	<b>14.7%</b>

**Scenario: Fixed \$135 PMPM - Best Estimate**

**Key Metrics**

\$217,059,000 Total State Funding  
 \$793,175,000 Total Federal Subsidies (+\$91,469,000 change from baseline)  
 23,792 Number of Uninsured Gaining Coverage  
 179,770 Number of Members Receiving State Subsidies  
 \$1,207.46 Average State Subsidies per Receiving Member per Year  
 93.5% % of Individuals under 500% FPL who can purchase benchmark (second lowest cost silver) plan for less than 10% of income  
 -2.5% Premium / Morbidity Impact due to New Members

Average Members	Baseline	With State Subsidies	Add Off Exchange	Add Uninsured	Total On Exchange with State Subsidy Program	Change
Receiving Only Federal Subsidies	129,357	147	-	-	147	(129,210)
Receiving Only State Subsidies	-	24,255	2,513	4,438	31,206	31,206
Receiving Federal and State Subsidies	-	129,210	-	19,354	148,564	148,564
Unsubsidized	80,119	55,864	-	-	55,864	(24,255)
Total	209,476	209,476	2,513	23,792	235,782	26,305
% Subsidized (Fed and/or State)	61.8%	73.3%	100.0%	100.0%	76.3%	

**Scenario: Fixed \$135 PMPM - Best Estimate**

**By FPL**

	< 139%	139-150%	151-200%	201-250%	251-300%	301-400%	401-500%	501-600%	Over 600%	Did Not Report	Total
On-Exchange Enrollment	16,563	15,217	45,427	32,172	23,588	33,013	13,899	4,689	8,078	43,135	<b>235,782</b>
Distribution	7.0%	6.5%	19.3%	13.6%	10.0%	14.0%	5.9%	2.0%	3.4%	18.3%	<b>100.0%</b>
Total Members Receiving State Subsidies	16,562	15,217	45,427	32,171	23,586	32,928	13,880				<b>179,770</b>
% Receiving State Subsidies	100.0%	100.0%	100.0%	100.0%	100.0%	99.7%	99.9%	0.0%	0.0%	0.0%	<b>76.2%</b>
Unsubsidized Members	1			1	2	85	20	4,689	8,078	42,988	<b>55,864</b>
Average Net Premium PMPM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$514.40	\$532.12	\$538.56	<b>\$534.55</b>
Change in Avg Net Premium PMPM (\$)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$12.99	-\$13.43	-\$13.60	<b>-\$13.50</b>
Change in Avg Net Premium PMPM (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-2.5%	-2.5%	-2.5%	<b>-2.5%</b>
Members Receiving Federal and State Subsidies	15,662	14,712	43,264	29,550	20,260	25,115	-	-	-	-	<b>148,564</b>
Average Federal Subsidy PMPM	\$569.81	\$518.61	\$469.55	\$428.55	\$388.68	\$343.06	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$444.41</b>
Average State Subsidy PMPM	\$27.67	\$68.31	\$89.90	\$107.14	\$116.89	\$122.71	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$93.86</b>
Average Net Premium PMPM	\$3.55	\$11.08	\$21.76	\$56.60	\$101.72	\$128.44	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$54.65</b>
Change in Avg Net Premium PMPM (\$)	-\$28.46	-\$70.31	-\$92.72	-\$111.27	-\$122.41	-\$129.06	\$0.00	\$0.00	\$0.00	\$0.00	<b>-\$97.61</b>
Change in Avg Net Premium PMPM (%)	-88.9%	-86.4%	-81.0%	-66.3%	-54.6%	-50.1%	0.0%	0.0%	0.0%	0.0%	<b>-64.1%</b>
Members Receiving Only State Subsidies	900	504	2,163	2,620	3,326	7,813	13,880	-	-	-	<b>31,206</b>
Average Subsidy PMPM (State)	\$131.71	\$131.69	\$131.67	\$131.73	\$131.78	\$132.02	\$134.02	\$0.00	\$0.00	\$0.00	<b>\$132.82</b>
Average Net Premium PMPM	\$489.90	\$387.98	\$348.52	\$317.72	\$294.03	\$270.56	\$373.44	\$0.00	\$0.00	\$0.00	<b>\$336.40</b>
Change in Avg Net Premium PMPM (\$)	-\$147.40	-\$144.81	-\$143.79	-\$143.08	-\$142.53	-\$142.19	-\$146.83	\$0.00	\$0.00	\$0.00	<b>-\$144.67</b>
Change in Avg Net Premium PMPM (%)	-23.1%	-27.2%	-29.2%	-31.1%	-32.6%	-34.4%	-28.2%	0.0%	0.0%	0.0%	<b>-30.1%</b>
<b>New Enrollees</b>											
Estimated Take-Up Uninsured	3,000	912	3,162	3,904	3,992	5,253	3,570	-	-	-	<b>23,792</b>
% Uninsured Take-Up	5.0%	9.3%	10.5%	13.2%	14.7%	16.0%	9.3%	0.0%	0.0%	0.0%	<b>8.5%</b>
Migration from Off-Exchange	67	41	191	247	316	763	887	-	-	-	<b>2,513</b>
% Off-Exchange Take-Up	11.2%	12.0%	12.8%	13.6%	14.2%	15.3%	12.6%	0.0%	0.0%	0.0%	<b>9.1%</b>

**Scenario: Fixed \$135 PMPM - Best Estimate**

**By Age**

	17 and under	18-34	35-54	55 and over	Total
On-Exchange Enrollment	16,254	55,352	85,656	78,518	235,782
Distribution	6.9%	23.5%	36.3%	33.3%	100.0%
Total Members Receiving State Subsidies	6,719	44,811	66,267	61,973	179,770
% Receiving State Subsidies	41.3%	81.0%	77.4%	78.9%	76.2%
Unsubsidized Members	9,460	10,510	19,368	16,525	55,864
<b>Members Receiving Federal and State Subsidies</b>	<b>3,011</b>	<b>34,768</b>	<b>54,913</b>	<b>55,872</b>	<b>148,564</b>
Average Federal Subsidy PMPM	\$116.91	\$223.84	\$346.53	\$695.53	\$444.41
Average State Subsidy PMPM	\$86.90	\$87.84	\$97.85	\$94.06	\$93.86
Average Net Premium PMPM	\$42.11	\$32.47	\$51.97	\$71.77	\$54.65
Change in Avg Net Premium PMPM (\$)	-\$90.16	-\$90.87	-\$101.63	-\$98.24	-\$97.61
Change in Avg Net Premium PMPM (%)	-68.2%	-73.7%	-66.2%	-57.8%	-64.1%
<b>Members Receiving Only State Subsidies</b>	<b>3,708</b>	<b>10,043</b>	<b>11,354</b>	<b>6,101</b>	<b>31,206</b>
Average Subsidy PMPM (State)	\$109.13	\$130.51	\$140.45	\$136.82	\$132.82
Average Net Premium PMPM	\$157.30	\$196.02	\$330.39	\$687.55	\$336.40
Change in Avg Net Premium PMPM (\$)	-\$115.86	-\$138.75	-\$152.34	-\$157.64	-\$144.67
Change in Avg Net Premium PMPM (%)	-42.4%	-41.4%	-31.6%	-18.7%	-30.1%

<b>New Enrollees</b>	17 and under	18-34	35-54	55 and over	Total
Estimated Take-Up Uninsured	573	3,674	9,620	9,924	23,792
% Uninsured Take-Up	2.7%	3.5%	8.8%	22.7%	8.5%
Migration from Off-Exchange	444	1,035	800	235	2,513
% Off-Exchange Take-Up	11.4%	13.2%	8.2%	3.8%	9.1%

**On-Exchange Enrollment Estimates by Age and FPL**

<b>FPL</b>	17 and under	18-34	35-54	55 and over	Total
<139	307	4,223	6,217	5,816	16,563
139-150%	18	4,151	6,000	5,047	15,217
151-200%	80	13,597	17,225	14,525	45,427
201-250%	176	8,576	11,894	11,526	32,172
251-300%	131	5,449	8,852	9,155	23,588
301-400%	4,155	6,053	10,732	12,074	33,013
401-500%	1,957	2,765	5,347	3,829	13,899
501-600%	715	929	1,683	1,362	4,689
OVER 600	1,235	1,478	3,041	2,325	8,078
Did not report	7,480	8,131	14,666	12,858	43,135
<b>Total</b>	<b>16,254</b>	<b>55,352</b>	<b>85,656</b>	<b>78,518</b>	<b>235,782</b>



**Scenario: Fixed \$135 PMPM - Best Estimate**

**Summary of Enrollment Take-Up due to State Premium Subsidy By Ethnicity and Race**

Ethnicity	Federal Subsidy Eligible Uninsured Pool	Federal Subsidy Eligible Uninsured Take-Up	% Federal Subsidy Eligible Uninsured Take-Up	Unsubsidized (Federal) Uninsured Pool	Unsubsidized (Federal) Eligible Uninsured Take-Up	% Unsubsidized (Federal) Uninsured Take-Up	Off-Exchange Membership	Off-Exchange Migration to On-Exchange	% Off-Exchange Migration
Not Reported	-	-	0.0%	-	-	0.0%	-	-	0.0%
Not Spanish/Hispanic	60,515	6,334	10.5%	32,545	1,304	4.0%	8,554	853	10.0%
Spanish/Hispanic (Any)	113,101	13,020	11.5%	72,555	3,134	4.3%	19,057	1,660	8.7%
<b>Total</b>	<b>173,616</b>	<b>19,354</b>	<b>11.1%</b>	<b>105,100</b>	<b>4,438</b>	<b>4.2%</b>	<b>27,611</b>	<b>2,513</b>	<b>9.1%</b>

Race	Federal Subsidy Eligible Uninsured Pool	Federal Subsidy Eligible Uninsured Take-Up	% Federal Subsidy Eligible Uninsured Take-Up	Unsubsidized (Federal) Uninsured Pool	Unsubsidized (Federal) Eligible Uninsured Take-Up	% Unsubsidized (Federal) Uninsured Take-Up	Off-Exchange Membership	Off-Exchange Migration to On-Exchange	% Off-Exchange Migration
American Indian/Alaska Native	1,358	166	12.2%	957	40	4.2%	257	29	11.3%
Asian Indian	6,646	559	8.4%	2,633	84	3.2%	591	45	7.6%
Black/African American	3,807	303	8.0%	1,681	55	3.3%	415	47	11.3%
Cambodian	558	61	10.9%	182	9	5.0%	45	5	11.3%
Chinese	7,665	838	10.9%	2,943	111	3.8%	745	66	8.9%
Filipino	2,801	233	8.3%	939	45	4.8%	241	28	11.8%
Guamanian	60	7	11.3%	50	2	3.9%	12	1	11.8%
Hawaiian	151	13	8.7%	144	5	3.7%	34	4	12.7%
Japanese	655	87	13.3%	766	39	5.2%	178	17	9.4%
Korean	2,828	405	14.3%	1,696	60	3.5%	362	27	7.6%
Laotian	161	15	9.3%	52	3	6.6%	20	2	12.0%
Other Asian/Pacific Islander	7,837	461	5.9%	738	29	3.9%	220	23	10.4%
Other Race	10,182	800	7.9%	2,776	93	3.4%	716	82	11.4%
Samoan	71	8	11.0%	13	0	2.8%	5	1	15.6%
Thai	508	46	9.0%	302	7	2.3%	68	4	5.5%
Unreported	42,015	4,557	10.8%	25,591	1,104	4.3%	6,737	582	8.6%
Vietnamese	9,014	768	8.5%	1,942	67	3.4%	435	41	9.5%
White	77,299	10,028	13.0%	61,695	2,682	4.3%	16,529	1,508	9.1%
<b>Total</b>	<b>173,616</b>	<b>19,354</b>	<b>11.1%</b>	<b>105,100</b>	<b>4,438</b>	<b>4.2%</b>	<b>27,611</b>	<b>2,513</b>	<b>9.1%</b>

**Scenario: Fixed \$90 PMPM - Best Estimate**

**Key Metrics**

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\$152,142,000 Total State Funding  
 \$780,065,000 Total Federal Subsidies (+\$78,359,000 change from baseline)  
 18,684 Number of Uninsured Gaining Coverage  
 173,824 Number of Members Receiving State Subsidies  
 \$875.28 Average State Subsidies per Receiving Member per Year  
 92.4% % of Individuals under 500% FPL who can purchase benchmark (second lowest cost silver) plan for less than 10% of income  
 -2.0% Premium / Morbidity Impact due to New Members

Average Members	Baseline	With State Subsidies	Add Off Exchange	Add Uninsured	Total On Exchange with State Subsidy Program	Change
Receiving Only Federal Subsidies	129,357	147	-	-	147	(129,210)
Receiving Only State Subsidies	-	24,255	1,676	2,959	28,889	28,889
Receiving Federal and State Subsidies	-	129,210	-	15,726	144,935	144,935
Unsubsidized	80,119	55,864	-	-	55,864	(24,255)
Total	209,476	209,476	1,676	18,684	229,836	20,360
% Subsidized (Fed and/or State)	61.8%	73.3%	100.0%	100.0%	75.7%	

**Scenario: Fixed \$90 PMPM - Best Estimate**

**By FPL**

	< 139%	139-150%	151-200%	201-250%	251-300%	301-400%	401-500%	501-600%	Over 600%	Did Not Report	Total
On-Exchange Enrollment	16,492	15,146	44,919	31,233	22,444	31,286	12,413	4,689	8,078	43,135	<b>229,836</b>
Distribution	7.2%	6.6%	19.5%	13.6%	9.8%	13.6%	5.4%	2.0%	3.5%	18.8%	<b>100.0%</b>
Total Members Receiving State Subsidies	16,491	15,146	44,919	31,232	22,442	31,201	12,394				<b>173,824</b>
% Receiving State Subsidies	100.0%	100.0%	100.0%	100.0%	100.0%	99.7%	99.8%	0.0%	0.0%	0.0%	<b>75.6%</b>
Unsubsidized Members	1			1	2	85	20	4,689	8,078	42,988	<b>55,864</b>
Average Net Premium PMPM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$516.98	\$534.79	\$541.27	<b>\$537.24</b>
Change in Avg Net Premium PMPM (\$)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$10.40	-\$10.76	-\$10.89	<b>-\$10.81</b>
Change in Avg Net Premium PMPM (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-2.0%	-2.0%	-2.0%	<b>-2.0%</b>
Members Receiving Federal and State Subsidies	15,618	14,660	42,847	28,730	19,282	23,799	-	-	-	-	<b>144,935</b>
Average Federal Subsidy PMPM	\$572.60	\$521.13	\$471.65	\$430.81	\$391.72	\$344.95	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$448.00</b>
Average State Subsidy PMPM	\$25.51	\$59.91	\$71.11	\$76.80	\$81.24	\$84.78	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$69.78</b>
Average Net Premium PMPM	\$5.45	\$19.59	\$40.65	\$87.05	\$137.95	\$167.36	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$77.67</b>
Change in Avg Net Premium PMPM (\$)	-\$26.13	-\$61.51	-\$73.36	-\$80.09	-\$85.65	-\$89.86	\$0.00	\$0.00	\$0.00	\$0.00	<b>-\$72.75</b>
Change in Avg Net Premium PMPM (%)	-82.8%	-75.8%	-64.3%	-47.9%	-38.3%	-34.9%	0.0%	0.0%	0.0%	0.0%	<b>-48.4%</b>
Members Receiving Only State Subsidies	872	486	2,072	2,502	3,161	7,403	12,394	-	-	-	<b>28,889</b>
Average Subsidy PMPM (State)	\$88.24	\$88.23	\$88.22	\$88.25	\$88.28	\$88.39	\$89.40	\$0.00	\$0.00	\$0.00	<b>\$88.78</b>
Average Net Premium PMPM	\$540.81	\$435.93	\$396.14	\$364.59	\$339.85	\$315.84	\$418.06	\$0.00	\$0.00	\$0.00	<b>\$381.11</b>
Change in Avg Net Premium PMPM (\$)	-\$100.90	-\$98.78	-\$97.97	-\$97.36	-\$96.89	-\$96.53	-\$99.61	\$0.00	\$0.00	\$0.00	<b>-\$98.23</b>
Change in Avg Net Premium PMPM (%)	-15.7%	-18.5%	-19.8%	-21.1%	-22.2%	-23.4%	-19.2%	0.0%	0.0%	0.0%	<b>-20.5%</b>
<b>New Enrollees</b>											
Estimated Take-Up Uninsured	2,951	855	2,718	3,047	2,953	3,780	2,380	-	-	-	<b>18,684</b>
% Uninsured Take-Up	5.0%	8.7%	9.1%	10.3%	10.9%	11.5%	6.2%	0.0%	0.0%	0.0%	<b>6.7%</b>
Migration from Off-Exchange	45	28	127	165	211	509	592	-	-	-	<b>1,676</b>
% Off-Exchange Take-Up	7.5%	8.0%	8.6%	9.1%	9.5%	10.2%	8.4%	0.0%	0.0%	0.0%	<b>6.1%</b>

**Scenario: Fixed \$90 PMPM - Best Estimate**

**By Age**

	17 and under	18-34	35-54	55 and over	Total
On-Exchange Enrollment	15,958	54,180	83,253	76,445	<b>229,836</b>
Distribution	6.9%	23.6%	36.2%	33.3%	<b>100.0%</b>
Total Members Receiving State Subsidies	6,422	43,639	63,864	59,900	<b>173,824</b>
% Receiving State Subsidies	40.2%	80.5%	76.7%	78.4%	<b>75.6%</b>
Unsubsidized Members	9,460	10,510	19,368	16,525	<b>55,864</b>
<b>Members Receiving Federal and State Subsidies</b>	<b>2,919</b>	<b>34,204</b>	<b>53,453</b>	<b>54,360</b>	<b>144,935</b>
Average Federal Subsidy PMPM	\$117.58	\$226.13	\$350.20	\$701.50	<b>\$448.00</b>
Average State Subsidy PMPM	\$61.45	\$66.89	\$72.73	\$69.15	<b>\$69.78</b>
Average Net Premium PMPM	\$67.85	\$52.90	\$75.96	\$95.47	<b>\$77.67</b>
Change in Avg Net Premium PMPM (\$)	-\$64.05	-\$69.30	-\$75.72	-\$72.47	<b>-\$72.75</b>
Change in Avg Net Premium PMPM (%)	-48.6%	-56.7%	-49.9%	-43.2%	<b>-48.4%</b>
<b>Members Receiving Only State Subsidies</b>	<b>3,503</b>	<b>9,435</b>	<b>10,412</b>	<b>5,539</b>	<b>28,889</b>
Average Subsidy PMPM (State)	\$73.02	\$87.40	\$93.85	\$91.56	<b>\$88.78</b>
Average Net Premium PMPM	\$196.53	\$241.64	\$379.07	\$739.24	<b>\$381.11</b>
Change in Avg Net Premium PMPM (\$)	-\$78.44	-\$94.02	-\$103.36	-\$108.28	<b>-\$98.23</b>
Change in Avg Net Premium PMPM (%)	-28.5%	-28.0%	-21.4%	-12.8%	<b>-20.5%</b>

<b>New Enrollees</b>	17 and under	18-34	35-54	55 and over	Total
Estimated Take-Up Uninsured	425	2,846	7,484	7,929	<b>18,684</b>
% Uninsured Take-Up	2.0%	2.7%	6.9%	18.2%	<b>6.7%</b>
Migration from Off-Exchange	296	690	533	156	<b>1,676</b>
% Off-Exchange Take-Up	7.6%	8.8%	5.5%	2.5%	<b>6.1%</b>

**On-Exchange Enrollment Estimates by Age and FPL**

<b>FPL</b>	17 and under	18-34	35-54	55 and over	Total
<139	298	4,210	6,184	5,799	<b>16,492</b>
139-150%	17	4,135	5,970	5,024	<b>15,146</b>
151-200%	75	13,479	17,019	14,347	<b>44,919</b>
201-250%	159	8,360	11,522	11,192	<b>31,233</b>
251-300%	126	5,199	8,387	8,732	<b>22,444</b>
301-400%	4,010	5,764	10,085	11,428	<b>31,286</b>
401-500%	1,843	2,494	4,697	3,378	<b>12,413</b>
501-600%	715	929	1,683	1,362	<b>4,689</b>
OVER 600	1,235	1,478	3,041	2,325	<b>8,078</b>
Did not report	7,480	8,131	14,666	12,858	<b>43,135</b>
<b>Total</b>	<b>15,958</b>	<b>54,180</b>	<b>83,253</b>	<b>76,445</b>	<b>229,836</b>

**Scenario: Fixed \$90 PMPM - Best Estimate**

**Summary of Enrollment Take-Up due to State Premium Subsidy By Ethnicity and Race**

Ethnicity	Federal Subsidy Eligible Uninsured Pool	Federal Subsidy Eligible Uninsured Take-Up	% Federal Subsidy Eligible Uninsured Take-Up	Unsubsidized (Federal) Uninsured Pool	Unsubsidized (Federal) Eligible Uninsured Take-Up	% Unsubsidized (Federal) Uninsured Take-Up	Off-Exchange Membership	Off-Exchange Migration to On-Exchange	% Off-Exchange Migration
Not Reported	-	-	0.0%	-	-	0.0%	-	-	0.0%
Not Spanish/Hispanic	60,515	5,182	8.6%	32,545	869	2.7%	8,554	569	6.6%
Spanish/Hispanic (Any)	113,101	10,544	9.3%	72,555	2,089	2.9%	19,057	1,107	5.8%
<b>Total</b>	<b>173,616</b>	<b>15,726</b>	<b>9.1%</b>	<b>105,100</b>	<b>2,959</b>	<b>2.8%</b>	<b>27,611</b>	<b>1,676</b>	<b>6.1%</b>

Race	Federal Subsidy Eligible Uninsured Pool	Federal Subsidy Eligible Uninsured Take-Up	% Federal Subsidy Eligible Uninsured Take-Up	Unsubsidized (Federal) Uninsured Pool	Unsubsidized (Federal) Eligible Uninsured Take-Up	% Unsubsidized (Federal) Uninsured Take-Up	Off-Exchange Membership	Off-Exchange Migration to On-Exchange	% Off-Exchange Migration
American Indian/Alaska Native	1,358	136	10.0%	957	27	2.8%	257	19	7.6%
Asian Indian	6,646	490	7.4%	2,633	56	2.1%	591	30	5.1%
Black/African American	3,807	254	6.7%	1,681	37	2.2%	415	31	7.5%
Cambodian	558	52	9.4%	182	6	3.3%	45	3	7.5%
Chinese	7,665	734	9.6%	2,943	74	2.5%	745	44	5.9%
Filipino	2,801	199	7.1%	939	30	3.2%	241	19	7.9%
Guamanian	60	5	8.6%	50	1	2.6%	12	1	7.9%
Hawaiian	151	11	7.2%	144	4	2.5%	34	3	8.5%
Japanese	655	68	10.4%	766	26	3.4%	178	11	6.3%
Korean	2,828	338	11.9%	1,696	40	2.4%	362	18	5.0%
Laotian	161	12	7.5%	52	2	4.4%	20	2	8.0%
Other Asian/Pacific Islander	7,837	432	5.5%	738	19	2.6%	220	15	6.9%
Other Race	10,182	682	6.7%	2,776	62	2.2%	716	54	7.6%
Samoan	71	6	8.9%	13	0	1.9%	5	1	10.4%
Thai	508	37	7.2%	302	5	1.5%	68	3	3.7%
Unreported	42,015	3,706	8.8%	25,591	736	2.9%	6,737	388	5.8%
Vietnamese	9,014	671	7.4%	1,942	45	2.3%	435	28	6.3%
White	77,299	7,891	10.2%	61,695	1,788	2.9%	16,529	1,006	6.1%
<b>Total</b>	<b>173,616</b>	<b>15,726</b>	<b>9.1%</b>	<b>105,100</b>	<b>2,959</b>	<b>2.8%</b>	<b>27,611</b>	<b>1,676</b>	<b>6.1%</b>

**Scenario: Fixed \$58 PMPM - Best Estimate**

**Key Metrics**

\$100,733,000 Total State Funding  
 \$766,102,000 Total Federal Subsidies (+\$64,396,000 change from baseline)  
 14,153 Number of Uninsured Gaining Coverage  
 168,698 Number of Members Receiving State Subsidies  
 \$597.14 Average State Subsidies per Receiving Member per Year  
 91.6% % of Individuals under 500% FPL who can purchase benchmark (second lowest cost silver) plan for less than 10% of income  
 -1.5% Premium / Morbidity Impact due to New Members

Average Members	Baseline	With State Subsidies	Add Off Exchange	Add Uninsured	Total On Exchange with State Subsidy Program	Change
Receiving Only Federal Subsidies	129,357	147	-	-	147	(129,210)
Receiving Only State Subsidies	-	24,255	1,080	1,907	27,242	27,242
Receiving Federal and State Subsidies	-	129,210	-	12,247	141,456	141,456
Unsubsidized	80,119	55,864	-	-	55,864	(24,255)
Total	209,476	209,476	1,080	14,153	224,709	15,233
% Subsidized (Fed and/or State)	61.8%	73.3%	100.0%	100.0%	75.1%	

**Scenario: Fixed \$58 PMPM - Best Estimate**

**By FPL**

	< 139%	139-150%	151-200%	201-250%	251-300%	301-400%	401-500%	501-600%	Over 600%	Did Not Report	Total
On-Exchange Enrollment	16,389	15,023	44,252	30,369	21,507	29,910	11,357	4,689	8,078	43,135	<b>224,709</b>
Distribution	7.3%	6.7%	19.7%	13.5%	9.6%	13.3%	5.1%	2.1%	3.6%	19.2%	<b>100.0%</b>
Total Members Receiving State Subsidies	16,388	15,023	44,252	30,368	21,505	29,825	11,337				<b>168,698</b>
% Receiving State Subsidies	100.0%	100.0%	100.0%	100.0%	100.0%	99.7%	99.8%	0.0%	0.0%	0.0%	<b>75.1%</b>
Unsubsidized Members	1			1	2	85	20	4,689	8,078	42,988	<b>55,864</b>
Average Net Premium PMPM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$519.36	\$537.25	\$543.76	<b>\$539.71</b>
Change in Avg Net Premium PMPM (\$)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$8.02	-\$8.30	-\$8.40	<b>-\$8.34</b>
Change in Avg Net Premium PMPM (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.5%	-1.5%	-1.5%	<b>-1.5%</b>
Members Receiving Federal and State Subsidies	15,535	14,551	42,244	27,950	18,461	22,714	-	-	-	-	<b>141,456</b>
Average Federal Subsidy PMPM	\$575.29	\$523.35	\$473.37	\$432.64	\$393.70	\$345.88	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$450.79</b>
Average State Subsidy PMPM	\$22.68	\$47.67	\$49.64	\$51.36	\$53.74	\$55.53	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$48.30</b>
Average Net Premium PMPM	\$7.94	\$31.97	\$62.45	\$113.18	\$166.91	\$198.56	\$0.00	\$0.00	\$0.00	\$0.00	<b>\$98.84</b>
Change in Avg Net Premium PMPM (\$)	-\$23.15	-\$48.90	-\$51.37	-\$53.90	-\$57.15	-\$59.45	\$0.00	\$0.00	\$0.00	\$0.00	<b>-\$50.57</b>
Change in Avg Net Premium PMPM (%)	-74.5%	-60.5%	-45.1%	-32.3%	-25.5%	-23.0%	0.0%	0.0%	0.0%	0.0%	<b>-33.8%</b>
Members Receiving Only State Subsidies	852	472	2,008	2,418	3,043	7,111	11,337	-	-	-	<b>27,242</b>
Average Subsidy PMPM (State)	\$57.12	\$57.12	\$57.12	\$57.13	\$57.14	\$57.19	\$57.65	\$0.00	\$0.00	\$0.00	<b>\$57.36</b>
Average Net Premium PMPM	\$578.07	\$470.88	\$430.83	\$398.68	\$373.09	\$348.62	\$449.91	\$0.00	\$0.00	\$0.00	<b>\$413.31</b>
Change in Avg Net Premium PMPM (\$)	-\$66.94	-\$65.28	-\$64.65	-\$64.17	-\$63.78	-\$63.46	-\$65.49	\$0.00	\$0.00	\$0.00	<b>-\$64.63</b>
Change in Avg Net Premium PMPM (%)	-10.4%	-12.2%	-13.0%	-13.9%	-14.6%	-15.4%	-12.7%	0.0%	0.0%	0.0%	<b>-13.5%</b>
<b>New Enrollees</b>											
Estimated Take-Up Uninsured	2,864	743	2,096	2,242	2,091	2,585	1,534	-	-	-	<b>14,153</b>
% Uninsured Take-Up	4.8%	7.5%	7.0%	7.6%	7.7%	7.9%	4.0%	0.0%	0.0%	0.0%	<b>7.1%</b>
Migration from Off-Exchange	29	18	82	106	136	328	381	-	-	-	<b>1,080</b>
% Off-Exchange Take-Up	4.8%	5.2%	5.5%	5.9%	6.1%	6.6%	5.4%	0.0%	0.0%	0.0%	<b>14.7%</b>

**Scenario: Fixed \$58 PMPM - Best Estimate**

**By Age**

	17 and under	18-34	35-54	55 and over	Total
On-Exchange Enrollment	15,720	53,201	81,188	74,600	<b>224,709</b>
Distribution	7.0%	23.7%	36.1%	33.2%	<b>100.0%</b>
Total Members Receiving State Subsidies	6,185	42,660	61,798	58,055	<b>168,698</b>
% Receiving State Subsidies	39.3%	80.2%	76.1%	77.8%	<b>75.1%</b>
Unsubsidized Members	9,460	10,510	19,368	16,525	<b>55,864</b>
<b>Members Receiving Federal and State Subsidies</b>	<b>2,827</b>	<b>33,658</b>	<b>52,057</b>	<b>52,915</b>	<b>141,456</b>
Average Federal Subsidy PMPM	\$117.78	\$227.97	\$352.97	\$706.54	<b>\$450.79</b>
Average State Subsidy PMPM	\$40.36	\$46.84	\$50.28	\$47.70	<b>\$48.30</b>
Average Net Premium PMPM	\$89.80	\$72.83	\$98.05	\$116.66	<b>\$98.84</b>
Change in Avg Net Premium PMPM (\$)	-\$42.37	-\$48.68	-\$52.57	-\$50.24	<b>-\$50.57</b>
Change in Avg Net Premium PMPM (%)	-32.1%	-40.1%	-34.9%	-30.1%	<b>-33.8%</b>
<b>Members Receiving Only State Subsidies</b>	<b>3,358</b>	<b>9,002</b>	<b>9,742</b>	<b>5,140</b>	<b>27,242</b>
Average Subsidy PMPM (State)	\$47.22	\$56.56	\$60.62	\$59.21	<b>\$57.36</b>
Average Net Premium PMPM	\$224.97	\$274.69	\$414.24	\$777.34	<b>\$413.31</b>
Change in Avg Net Premium PMPM (\$)	-\$51.43	-\$61.68	-\$67.96	-\$72.14	<b>-\$64.63</b>
Change in Avg Net Premium PMPM (%)	-18.6%	-18.3%	-14.1%	-8.5%	<b>-13.5%</b>

<b>New Enrollees</b>	17 and under	18-34	35-54	55 and over	Total
Estimated Take-Up Uninsured	293	2,113	5,608	6,140	<b>14,153</b>
% Uninsured Take-Up	1.4%	2.0%	5.1%	14.1%	<b>7.1%</b>
Migration from Off-Exchange	191	445	344	101	<b>1,080</b>
% Off-Exchange Take-Up	4.9%	5.7%	3.5%	1.6%	<b>14.7%</b>

**On-Exchange Enrollment Estimates by Age and FPL**

<b>FPL</b>	17 and under	18-34	35-54	55 and over	Total
<139	287	4,192	6,139	5,770	<b>16,389</b>
139-150%	14	4,112	5,916	4,981	<b>15,023</b>
151-200%	67	13,329	16,744	14,112	<b>44,252</b>
201-250%	140	8,172	11,183	10,875	<b>30,369</b>
251-300%	122	5,009	8,010	8,366	<b>21,507</b>
301-400%	3,897	5,548	9,572	10,893	<b>29,910</b>
401-500%	1,763	2,302	4,235	3,058	<b>11,357</b>
501-600%	715	929	1,683	1,362	<b>4,689</b>
OVER 600	1,235	1,478	3,041	2,325	<b>8,078</b>
Did not report	7,480	8,131	14,666	12,858	<b>43,135</b>
<b>Total</b>	<b>15,720</b>	<b>53,201</b>	<b>81,188</b>	<b>74,600</b>	<b>224,709</b>



**Scenario: Fixed \$58 PMPM - Best Estimate**

**Summary of Enrollment Take-Up due to State Premium Subsidy By Ethnicity and Race**

Ethnicity	Federal Subsidy Eligible Uninsured Pool	Federal Subsidy Eligible Uninsured Take-Up	% Federal Subsidy Eligible Uninsured Take-Up	Unsubsidized (Federal) Uninsured Pool	Unsubsidized (Federal) Eligible Uninsured Take-Up	% Unsubsidized (Federal) Uninsured Take-Up	Off-Exchange Membership	Off-Exchange Migration to On-Exchange	% Off-Exchange Migration
Not Reported	-	-	0.0%	-	-	0.0%	-	-	0.0%
Not Spanish/Hispanic	60,515	4,059	6.7%	32,545	560	1.7%	8,554	366	4.3%
Spanish/Hispanic (Any)	113,101	8,187	7.2%	72,555	1,347	1.9%	19,057	713	3.7%
<b>Total</b>	<b>173,616</b>	<b>12,247</b>	<b>7.1%</b>	<b>105,100</b>	<b>1,907</b>	<b>1.8%</b>	<b>27,611</b>	<b>1,080</b>	<b>3.9%</b>

Race	Federal Subsidy Eligible Uninsured Pool	Federal Subsidy Eligible Uninsured Take-Up	% Federal Subsidy Eligible Uninsured Take-Up	Unsubsidized (Federal) Uninsured Pool	Unsubsidized (Federal) Eligible Uninsured Take-Up	% Unsubsidized (Federal) Uninsured Take-Up	Off-Exchange Membership	Off-Exchange Migration to On-Exchange	% Off-Exchange Migration
American Indian/Alaska Native	1,358	107	7.9%	957	17	1.8%	257	13	4.9%
Asian Indian	6,646	414	6.2%	2,633	36	1.4%	591	19	3.3%
Black/African American	3,807	204	5.4%	1,681	24	1.4%	415	20	4.9%
Cambodian	558	44	8.0%	182	4	2.1%	45	2	4.8%
Chinese	7,665	620	8.1%	2,943	48	1.6%	745	28	3.8%
Filipino	2,801	164	5.9%	939	19	2.1%	241	12	5.1%
Guamanian	60	4	6.2%	50	1	1.7%	12	1	5.1%
Hawaiian	151	9	5.8%	144	2	1.6%	34	2	5.4%
Japanese	655	50	7.6%	766	17	2.2%	178	7	4.0%
Korean	2,828	266	9.4%	1,696	26	1.5%	362	12	3.2%
Laotian	161	9	5.7%	52	1	2.8%	20	1	5.2%
Other Asian/Pacific Islander	7,837	398	5.1%	738	12	1.7%	220	10	4.5%
Other Race	10,182	568	5.6%	2,776	40	1.4%	716	35	4.9%
Samoan	71	5	7.0%	13	0	1.2%	5	0	6.7%
Thai	508	29	5.6%	302	3	1.0%	68	2	2.4%
Unreported	42,015	2,897	6.9%	25,591	474	1.9%	6,737	250	3.7%
Vietnamese	9,014	570	6.3%	1,942	29	1.5%	435	18	4.1%
White	77,299	5,887	7.6%	61,695	1,152	1.9%	16,529	648	3.9%
<b>Total</b>	<b>173,616</b>	<b>12,247</b>	<b>7.1%</b>	<b>105,100</b>	<b>1,907</b>	<b>1.8%</b>	<b>27,611</b>	<b>1,080</b>	<b>3.9%</b>

**Scenario: Fixed \$48/\$96 PMPM - Best Estimate**

**Key Metrics**

\$101,780,000 Total State Funding  
 \$759,298,000 Total Federal Subsidies (+\$57,592,000 change from baseline)  
 14,107 Number of Uninsured Gaining Coverage  
 169,359 Number of Members Receiving State Subsidies  
 \$601.00 Average State Subsidies per Receiving Member per Year  
 92.3% % of Individuals under 500% FPL who can purchase benchmark (second lowest cost silver) plan for less than 10% of income  
 -1.5% Premium / Morbidity Impact due to New Members

Average Members	Baseline	With State Subsidies	Add Off Exchange	Add Uninsured	Total On Exchange with State Subsidy Program	Change
Receiving Only Federal Subsidies	129,357	147	-	-	147	(129,210)
Receiving Only State Subsidies	-	24,255	1,787	3,156	29,198	29,198
Receiving Federal and State Subsidies	-	129,210	-	10,951	140,161	140,161
Unsubsidized	80,119	55,864	-	-	55,864	(24,255)
Total	209,476	209,476	1,787	14,107	225,371	15,895
% Subsidized (Fed and/or State)	61.8%	73.3%	100.0%	100.0%	75.2%	

**Scenario: Fixed \$48/\$96 PMPM - Best Estimate**

**By FPL**

	< 139%	139-150%	151-200%	201-250%	251-300%	301-400%	401-500%	501-600%	Over 600%	Did Not Report	Total
On-Exchange Enrollment	16,354	14,966	44,079	30,195	21,365	29,897	12,612	4,689	8,078	43,135	225,371
Distribution	7.3%	6.6%	19.6%	13.4%	9.5%	13.3%	5.6%	2.1%	3.6%	19.1%	100.0%
Total Members Receiving State Subsidies	16,353	14,966	44,079	30,193	21,363	29,813	12,592				169,359
% Receiving State Subsidies	100.0%	100.0%	100.0%	100.0%	100.0%	99.7%	99.8%	0.0%	0.0%	0.0%	75.1%
Unsubsidized Members	1			1	2	85	20	4,689	8,078	42,988	55,864
Average Net Premium PMPM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$519.39	\$537.28	\$543.79	\$539.74
Change in Avg Net Premium PMPM (\$)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$8.00	-\$8.27	-\$8.37	-\$8.31
Change in Avg Net Premium PMPM (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.5%	-1.5%	-1.5%	-1.5%
Members Receiving Federal and State Subsidies	15,477	14,478	41,995	27,676	18,180	22,355	-	-	-	-	140,161
Average Federal Subsidy PMPM	\$575.32	\$523.29	\$473.15	\$432.55	\$393.57	\$345.48	\$0.00	\$0.00	\$0.00	\$0.00	\$450.91
Average State Subsidy PMPM	\$21.13	\$41.12	\$41.68	\$42.89	\$44.73	\$46.08	\$0.00	\$0.00	\$0.00	\$0.00	\$40.69
Average Net Premium PMPM	\$9.27	\$38.50	\$70.43	\$121.76	\$176.30	\$208.45	\$0.00	\$0.00	\$0.00	\$0.00	\$106.26
Change in Avg Net Premium PMPM (\$)	-\$21.60	-\$42.34	-\$43.41	-\$45.42	-\$48.13	-\$50.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$42.95
Change in Avg Net Premium PMPM (%)	-70.0%	-52.4%	-38.1%	-27.2%	-21.4%	-19.3%	0.0%	0.0%	0.0%	0.0%	-28.8%
Members Receiving Only State Subsidies	876	488	2,084	2,518	3,183	7,457	12,592	-	-	-	29,198
Average Subsidy PMPM (State)	\$94.56	\$94.55	\$94.54	\$94.57	\$94.60	\$94.73	\$95.86	\$0.00	\$0.00	\$0.00	\$95.17
Average Net Premium PMPM	\$536.82	\$431.79	\$391.83	\$360.22	\$335.49	\$311.43	\$414.33	\$0.00	\$0.00	\$0.00	\$377.15
Change in Avg Net Premium PMPM (\$)	-\$104.28	-\$102.66	-\$102.03	-\$101.58	-\$101.22	-\$100.99	-\$103.72	\$0.00	\$0.00	\$0.00	-\$102.44
Change in Avg Net Premium PMPM (%)	-16.3%	-19.2%	-20.7%	-22.0%	-23.2%	-24.5%	-20.0%	0.0%	0.0%	0.0%	-21.4%
<b>New Enrollees</b>											
Estimated Take-Up Uninsured	2,810	674	1,869	1,998	1,860	2,357	2,539	-	-	-	14,107
% Uninsured Take-Up	4.7%	6.8%	6.2%	6.8%	6.8%	7.2%	6.6%	0.0%	0.0%	0.0%	7.1%
Migration from Off-Exchange	48	29	135	176	225	543	631	-	-	-	1,787
% Off-Exchange Take-Up	8.0%	8.5%	9.1%	9.7%	10.1%	10.9%	8.9%	0.0%	0.0%	0.0%	14.7%

**Scenario: Fixed \$48/\$96 PMPM - Best Estimate**

**By Age**

	17 and under	18-34	35-54	55 and over	Total
On-Exchange Enrollment	15,861	53,512	81,465	74,533	225,371
Distribution	7.0%	23.7%	36.1%	33.1%	100.0%
Total Members Receiving State Subsidies	6,326	42,971	62,076	57,987	169,359
% Receiving State Subsidies	39.9%	80.3%	76.2%	77.8%	75.1%
Unsubsidized Members	9,460	10,510	19,368	16,525	55,864
<b>Members Receiving Federal and State Subsidies</b>	<b>2,795</b>	<b>33,455</b>	<b>51,538</b>	<b>52,373</b>	<b>140,161</b>
Average Federal Subsidy PMPM	\$117.60	\$228.19	\$353.22	\$707.10	\$450.91
Average State Subsidy PMPM	\$33.49	\$39.51	\$42.34	\$40.20	\$40.69
Average Net Premium PMPM	\$96.85	\$80.01	\$105.79	\$124.00	\$106.26
Change in Avg Net Premium PMPM (\$)	-\$35.50	-\$41.35	-\$44.62	-\$42.73	-\$42.95
Change in Avg Net Premium PMPM (%)	-26.8%	-34.1%	-29.7%	-25.6%	-28.8%
<b>Members Receiving Only State Subsidies</b>	<b>3,531</b>	<b>9,516</b>	<b>10,537</b>	<b>5,614</b>	<b>29,198</b>
Average Subsidy PMPM (State)	\$78.27	\$93.67	\$100.61	\$98.14	\$95.17
Average Net Premium PMPM	\$192.29	\$236.78	\$374.55	\$736.19	\$377.15
Change in Avg Net Premium PMPM (\$)	-\$82.43	-\$98.76	-\$107.93	-\$110.98	-\$102.44
Change in Avg Net Premium PMPM (%)	-30.0%	-29.4%	-22.4%	-13.1%	-21.4%

<b>New Enrollees</b>	17 and under	18-34	35-54	55 and over	Total
Estimated Take-Up Uninsured	308	2,133	5,660	6,006	14,107
% Uninsured Take-Up	1.4%	2.0%	5.2%	13.8%	7.1%
Migration from Off-Exchange	316	736	569	167	1,787
% Off-Exchange Take-Up	8.1%	9.4%	5.9%	2.7%	14.7%

**On-Exchange Enrollment Estimates by Age and FPL**

<b>FPL</b>	17 and under	18-34	35-54	55 and over	Total
<139	291	4,192	6,119	5,752	16,354
139-150%	14	4,106	5,889	4,958	14,966
151-200%	65	13,318	16,667	14,029	44,079
201-250%	138	8,166	11,113	10,778	30,195
251-300%	125	5,025	7,955	8,260	21,365
301-400%	3,939	5,637	9,548	10,772	29,897
401-500%	1,859	2,531	4,784	3,439	12,612
501-600%	715	929	1,683	1,362	4,689
OVER 600	1,235	1,478	3,041	2,325	8,078
Did not report	7,480	8,131	14,666	12,858	43,135
<b>Total</b>	<b>15,861</b>	<b>53,512</b>	<b>81,465</b>	<b>74,533</b>	<b>225,371</b>

**Scenario: Fixed \$48/\$96 PMPM - Best Estimate**

**Summary of Enrollment Take-Up due to State Premium Subsidy By Ethnicity and Race**

Ethnicity	Federal Subsidy Eligible Uninsured Pool	Federal Subsidy Eligible Uninsured Take-Up	% Federal Subsidy Eligible Uninsured Take-Up	Unsubsidized (Federal) Uninsured Pool	Unsubsidized (Federal) Eligible Uninsured Take-Up	% Unsubsidized (Federal) Uninsured Take-Up	Off-Exchange Membership	Off-Exchange Migration to On-Exchange	% Off-Exchange Migration
Not Reported	-	-	0.0%	-	-	0.0%	-	-	0.0%
Not Spanish/Hispanic	60,515	3,638	6.0%	32,545	927	2.8%	8,554	606	7.1%
Spanish/Hispanic (Any)	113,101	7,313	6.5%	72,555	2,229	3.1%	19,057	1,181	6.2%
<b>Total</b>	<b>173,616</b>	<b>10,951</b>	<b>6.3%</b>	<b>105,100</b>	<b>3,156</b>	<b>3.0%</b>	<b>27,611</b>	<b>1,787</b>	<b>6.5%</b>

Race	Federal Subsidy Eligible Uninsured Pool	Federal Subsidy Eligible Uninsured Take-Up	% Federal Subsidy Eligible Uninsured Take-Up	Unsubsidized (Federal) Uninsured Pool	Unsubsidized (Federal) Eligible Uninsured Take-Up	% Unsubsidized (Federal) Uninsured Take-Up	Off-Exchange Membership	Off-Exchange Migration to On-Exchange	% Off-Exchange Migration
American Indian/Alaska Native	1,358	96	7.1%	957	28	3.0%	257	21	8.1%
Asian Indian	6,646	380	5.7%	2,633	60	2.3%	591	32	5.4%
Black/African American	3,807	185	4.9%	1,681	39	2.3%	415	33	8.0%
Cambodian	558	41	7.4%	182	6	3.5%	45	4	8.0%
Chinese	7,665	573	7.5%	2,943	79	2.7%	745	47	6.3%
Filipino	2,801	151	5.4%	939	32	3.4%	241	20	8.4%
Guamanian	60	3	5.4%	50	1	2.8%	12	1	8.4%
Hawaiian	151	8	5.3%	144	4	2.6%	34	3	9.0%
Japanese	655	43	6.6%	766	28	3.7%	178	12	6.7%
Korean	2,828	238	8.4%	1,696	43	2.5%	362	19	5.4%
Laotian	161	8	5.0%	52	2	4.7%	20	2	8.5%
Other Asian/Pacific Islander	7,837	383	4.9%	738	21	2.8%	220	16	7.4%
Other Race	10,182	524	5.1%	2,776	66	2.4%	716	58	8.1%
Samoan	71	4	6.2%	13	0	2.0%	5	1	11.1%
Thai	508	26	5.1%	302	5	1.6%	68	3	3.9%
Unreported	42,015	2,596	6.2%	25,591	785	3.1%	6,737	414	6.1%
Vietnamese	9,014	529	5.9%	1,942	48	2.4%	435	29	6.8%
White	77,299	5,162	6.7%	61,695	1,907	3.1%	16,529	1,073	6.5%
<b>Total</b>	<b>173,616</b>	<b>10,951</b>	<b>6.3%</b>	<b>105,100</b>	<b>3,156</b>	<b>3.0%</b>	<b>27,611</b>	<b>1,787</b>	<b>6.5%</b>