

Cascade Select (public option)

Goals & momentum

Washington state has long been a leader in health care reform and champions efforts to expand access to affordable health care coverage. In 2021, Washington state became the first in the nation to offer a public option health plan through its state-based marketplace, operated by Washington Health Benefit Exchange (Exchange). Washington's public option plans are designed and procured by the state and are available exclusively through the Exchange.

Cascade Select is Washington's public option plan offered under Cascade Care. Cascade Care is a multi-agency effort involving, the Health Care Authority (HCA), the Exchange, and Office of the Insurance Commissioner (OIC). The Exchange manages Cascade Care and HCA is responsible for procuring Cascade Select plans.

Since Cascade Care's inception, Cascade Select continues to make progress in improving access to affordable, high-quality health care coverage in the individual market.

For plan years 2023-2024, HCA, the Exchange, and OIC aimed to further promote the goals of statewide availability and affordability. To meet these goals, HCA conducted a competitive procurement. This enabled HCA to be more selective in contracting with carriers interested in competing to offer Cascade Select — promoting healthy market competition and lower premiums for Washingtonians.

Results

As a result of HCA's procurement:

- HCA signed contracts with Community Health Plan of Washington, Coordinated Care Corporation, and LifeWise Health Plan of Washington to offer Cascade Select plans for 2023.
- **Cascade Select expanded to 34 of 39 Washington counties**, up from 25 counties in 2022 and 19 counties in 2021.
- **Ninety-eight percent** of current Exchange customers have access to a Cascade Select plan.
- Cascade Select plans are the **lowest cost Silver premiums available on the Exchange in 25 counties**, up from 13 counties in 2022.
- The average gross premium rate for Cascade Select plans **decreased by three percent**, compared to average rate increases of over eight percent for non-Cascade Select health plans on the Exchange.
- **Enrollment in Cascade Select plans tripled** from 2021 to 2022 and has continued to grow significantly in 2023.¹

Refinement

As Cascade Select continues to mature, the program presents a unique opportunity to align with broader state purchasing goals. In addition, the state can leverage the successes of Cascade Select to influence other markets, particularly for quality standards, collaboration with health insurance carriers, and strategies to reduce premiums.

- Through the Cascade Select program, carriers are required to reach an aggregate provider reimbursement target of 160 percent of Medicare rates. This makes Cascade Select plans **the most affordable health plan** in many Washington counties.
- Early analysis suggests that carriers have nearly met Cascade Select's reimbursement targets. However, the current reimbursement targets may not be low enough to meaningfully lower premiums for Cascade Select plans.

As reported by the Exchange on Jan. 10, 2023, see <https://www.wahbexchange.org/its-the-final-countdown-for-buying-a-health-plan-during-open-enrollment/>.

- HCA and partners will continue to examine ways to actively influence affordability, quality, and service area expansion.

Legislative report

Under Senate Bill (SB) 5526, HCA, in collaboration with the Exchange and OIC, produced a report to the Legislature on Dec. 1, 2022. [View the full report.](#)

Report highlights

- Requiring provider networks of HCA-administered programs to participate in Cascade Select provider networks may have a positive impact on access to affordable qualified health plan provider networks and market stability.
- It may be beneficial to require Public Employees Benefits Board (PEBB), School Employees Benefits Board (SEBB), or other HCA program carriers to bid for Cascade Select contracts **without the requirement for HCA to accept them**. This may:
 - Increase participation among carriers while mitigating potential negative impacts of adding many similar plans to the marketplace.
 - Safeguard against less carrier participation in future procurements.
- Potential pathways to influence affordability include examining:
 - Functions of active purchasing
 - Current provider reimbursement targets
 - Provider participation

In 2023, HCA, the Exchange, and OIC will collaborate on additional reports to the Legislature to inform future Cascade Care opportunities. These include reports about:

- The impact of Cascade Select on consumers and hospital financial sustainability.
- The impact of only offering Cascade Care plans — including Cascade Select plans — on the Exchange.

Contact information

To learn more:

- Contact HCACascadeCare@hca.wa.gov
- Learn more about Cascade Select at hca.wa.gov/about-hca/programs-and-initiatives/cascade-select-public-option.
- Learn more about Cascade Care plans at wahbexchange.org/about-the-exchange/what-is-the-exchange/cascade-care/.