



Cascade Care – Washington’s Public Option

Washington State has experienced an alarming rate of patients dropping health coverage due to skyrocketing out-of-pocket costs. Over 43,000 Washington residents dropped health insurance coverage in 2018. People under 35 years old are most likely to drop coverage.

Even for those with health insurance, patients too often ration their access to needed medical care and medication because of the financial strain. When patients forego medical treatment or drop insurance coverage, it not only harms individual health, it also raises healthcare costs for everyone and strains taxpayer dollars. Further, the repeal of the federal individual mandate will exacerbate market instability.

The cost of quality care is out of reach for working class and middle-class families.

In 2017, 443,000 Washington residents of all ages were uninsured. The majority are working age and in middle-class households above 200 percent of the Federal Poverty Level (FPL), a commonly used benchmark to measure deep poverty and government benefits. However, overall rates of uninsurance remain highest for lower-income groups.

Washington Uninsured Rates by Federal Poverty Levels for Adults 19 to 64, 2017					
	Below 138% (<\$16,642)	138-199% (16,642- \$24,120)	200-399% (\$24,120- \$48,240)	Over 400% (>\$48,240)	Total
People without insurance	111,881	67,013	133,512	79,093	391,499
Percent without insurance	17%	18%	11%	4%	50%

Federal Poverty Levels shown are for single people. They are higher for members of families.

Source: U.S. Census American Community Survey, 2017 1-year data

How Cascade Care Works

Cascade Care offers a bold solution by providing a new standard insurance plan with low out-of-pocket expenses that will control costs, encourage people to keep insurance, and lead to universal coverage.

Cascade Care utilizes current infrastructure, fully leverages federal subsidies, and institutes predictable cost transparency practices. Implementation of Cascade Care can begin in 2021, when all carriers will be required to offer at least one state-defined “standard plan” on the Washington Health Benefit Exchange. A standard plan will limit out-of-pocket costs, provide transparent and predictable cost sharing, and increase the value of federal subsidies. These plans will also cost less because they will cap reimbursement rates at Medicare rates.

By 2025, only standard plans will be offered in the Exchange. In addition, state subsidies can be phased in to enhance affordability for lower- and middle-income Washington families.

Individuals who do not have employer-provided or other health insurance already purchase insurance on the Washington State Health Benefit Exchange. Qualified people with incomes below 138 percent FPL have their costs fully covered. People between 138 and 400 percent FPL also may receive federal subsidies for premiums through the exchange, with the subsidy level declining as income rises.

Nevertheless, Washington residents with incomes above 200 percent FPL can spend about one third of their income on premiums and deductibles, in addition to other out-of-pocket costs. Lower income households that do not receive subsidies may pay half or more on premium and deductible costs.

Proportion of Household Income Spent on Health Care in Current System

Subsidy Status	FPL	Number of Customers	Avg % of Income Spent on Premium	Avg % of Income Spent on Premium & Deductible*
Subsidized	139-150%	15,217	6%	16%
	151-200%	42,941	7%	21%
	201-250%	27,767	8%	31%
	251-300%	18,723	9%	31%
	301-400%	24,469	9%	32%
	401-500%			
	501-600%			
	600%+			
Not Subsidized	139-150%	766	29%	58%
	151-200%	2,512	23%	49%
	201-250%	2,299	17%	40%
	251-300%	2,023	14%	33%
	301-400%	3,055	13%	33%
	401-500%	9,514	11%	29%
	501-600%	4,440	10%	24%
	600%+	7,984	4%	9%

Source: Washington Health Benefit Exchange (2018)

Cascade Care seeks to ensure that Washingtonians pay no more than 10 percent of their income on health premiums.

There will be no income qualifier for a Cascade Care plan, and Cascade Care will expand subsidies to include more of the middle class. People who were previously eligible for federal subsidies under the Affordable Care Act will still be eligible for these subsidies.

Under the current system, Washington’s residents’ needs are not being met. By improving affordability, Cascade Care expands health care access and affordability to individuals and families struggling to make ends meet. Businesses, individuals, and state and local governments will all benefit from lower costs and better health outcomes. Cascade Care launches Washington State on the path to achievable universal care.

Cascade Care will improve long-term health outcomes and uplift communities all across Washington.