**Cascade Care 2.0: Washington’s next step to solving our health care affordability crisis**

The COVID-19 pandemic has intensified the health care affordability crisis. People who must buy on the individual market through the Health Benefit Exchange can spend up to one-third of their income just on health insurance.[[1]](#endnote-1) High costs push half of new enrollees on our state’s Exchange to purchase plans that seem affordable at first with lower premiums, but have huge out-of-pocket costs that place needed care out of reach.[[2]](#endnote-2) During the pandemic, the uninsured rate of newly unemployed people has risen from 10% to over 40%.[[3]](#endnote-3) While subsidies provided through the Affordable Care Act have significantly improved health care access since 2014, Washington’s uninsurance rate continues to rise in the face of spiraling health costs, and too many struggle to afford basic coverage and care.[[4]](#endnote-4)

**What’s at stake**

When people can’t afford basic coverage, they forego critical care, jeopardizing their health and well-being, and costing patients, medical providers, and the state more in the long-run. This hurts family economic security and threatens our economy. If we fail to act, essential workers, families, students, and small business owners will continue to struggle to afford basic coverage. The problem is even worse for older workers and others with serious illnesses. Meanwhile health care costs keep going up, and health care industry giants collect more and more in profits.[[5]](#endnote-5)

**Forward momentum**

Washington’s Legislature created standard plans and the first public option in the country by passing Cascade Care in 2019. These are important steps in improving quality and transparency in the individual market, but more action is needed. States around the country have successfully increased affordability, dropped their uninsurance rates, and controlled system costs by implementing state premium and cost-sharing assistance on top of inadequate federal subsidies.[[6]](#endnote-6)

With **Cascade Care 2.0 (SB 5377)**, legislators now have the opportunity to address income, racial, and age disparities by making health coverage more affordable, supporting small business owners who are financially squeezed by health insurance premiums, and ensuring a faster recovery from the COVID-19 pandemic and economic recession.

**Cascade Care key bill components:**

* Allows premium and cost-sharing assistance for people up to 500% of the federal poverty level (up to amount appropriated by the Legislature);
* Maximizes federal dollars and encourages enrollment in high quality plans by focusing subsidies on standard plans and by pursuing all available federal waivers;
* Increases state purchasing power by requiring hospitals that own at least four hospitals to contract with at least one public option plan.

1. <https://www.wahbexchange.org/wp-content/uploads/2020/11/Subsidy-Study_Exchange-Cover-Memo.pdf> [↑](#endnote-ref-1)
2. <https://www.wahbexchange.org/wp-content/uploads/2020/12/HBE_SHC_Subsidy-Update_FINAL_external.pdf> [↑](#endnote-ref-2)
3. <https://www.ofm.wa.gov/sites/default/files/public/dataresearch/healthcare/healthcoverage/COVID-19_impact_on_uninsured.pdf> [↑](#endnote-ref-3)
4. <https://www.ofm.wa.gov/sites/default/files/public/dataresearch/researchbriefs/brief095.pdf> [↑](#endnote-ref-4)
5. <https://www.nytimes.com/2020/05/25/business/coronavirus-hospitals-bailout.html>; <https://www.nytimes.com/2020/08/05/health/covid-insurance-profits.html> [↑](#endnote-ref-5)
6. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2888014/>; <https://www.commonwealthfund.org/publications/issue-briefs/2020/jan/states-make-indivldual-coverage-more-affordable-federal-needed#:~:text=During%202019%2C%20five%20additional%20states,for%202021%20(Exhibit%202)>. [↑](#endnote-ref-6)