



Summary of Washington State Gov. Inslee's Letter on Implementation of Cascade Care

On Tuesday, May 19, Washington State Governor Jay Inslee sent a [letter](#) to Sue Birch, Director of the Washington State Health Care Authority (HCA), and Pam MacEwan, CEO of the Washington State Health Benefit Exchange (HBE), recognizing the impact of the COVID-19 pandemic on the rollout of the state's public option program, Cascade Care. Specifically, Gov. Inslee states, "While Cascade Care may take a preliminary approach in its initial year, we fully expect it to flourish in future years."

The announcement comes days before the Phase 2 response deadline (May 22, 2020) of the [request for applications \(RFA\)](#) for carriers interested in offering public option plans on the individual market for coverage beginning January 1, 2021. The potentially scaled-back approach may indicate a lower than expected response rate for Phase 1 responses, which were due on April 17, 2020, in light of the pandemic. Of note, HCA released the RFA for public option procurement on February 27, 2020 – just two days before Gov. Inslee [issued](#) a COVID-19 emergency proclamation on February 29, 2020.

In the Phase 1 response, applicants were required to submit proposed service areas and projected enrollment for each county, among other details.

In the Phase 2 response, applicants must provide the following:

- **Planned premium rates** for a 40-year old, non-smoker for plan year 2021 public option plans at the gold, silver, and bronze metal levels for each county the applicant intends to participate in. Applicants must describe how their premium rates meet one or more of the following affordability options:
 - A proposed premium rate that is at least 5 percent lower than the applicant's lowest-cost plan of the same metal level plan in play year 2020;
 - A proposed premium rate that is at least 10 percent lower than the proposed rate of the applicant's standard plan of the same metal level for plan year 2021; or
 - For an applicant that did not participate in the individual market in plan year 2020, and does not propose a non-public option plan, the applicant must have a premium rate that is at least equal to, or lower than, the new carrier benchmark premium rate established by HCA (see Appendix 3).
- **Sample provider contracts from the current 2021 public option plan year** and include an explanation of how they demonstrate value-based payment arrangements and unit cost reductions in contracting with providers. Applicants must also confirm that at least 30 percent of provider contracts for the public option plans include value-based payment arrangements as defined by the Centers for Medicare and Medicaid Services (CMS) Health Care Payment Learning and Action Network.

Details on the scale of Cascade Care for its initial year may be clarified in the summer, potentially following the announcement of successful applicants on July 7, 2020.