

# Washington State Cascade Select ("Public Option") Overview

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2.18.2026

# Legislative History

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## ▶ Senate Bill 5526 (2019)

- ▶ Enacted Cascade Care, including public option (called Cascade Select)
- ▶ Created competitive procurement managed by HCA
  - ▶ RCW 41.05.405
- ▶ Capped aggregate provider reimbursement at 160% of Medicare
- ▶ Cascade Select launched in 2021

## ▶ Senate Bill 5377 (2021)

- ▶ Added hospital participation requirements, enforceable via HCA contracts
  - ▶ HCA rules codified at WAC 182-400
- ▶ Required cost and quality transparency to ensure value is being provided by public option plans

# Tri-Agency Authority

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## ▶ Health Care Authority

- ▶ Procures and manages public option contracts with selected carriers offering Qualified Health Plans

## ▶ Health Benefit Exchange

- ▶ Sets benefit design, certifies Qualified Health Plans, administers enrollment and subsidies

## ▶ Office of the Insurance Commissioner

- ▶ Reviews and approves health carriers' rates and forms, regulates network access requirements

# Public Option 101

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- ▶ Currently three carriers offer Cascade Select plans in most counties
- ▶ Cascade Select carriers accountable for meeting provider reimbursement targets
- ▶ Every hospital is required to contract with at least one Cascade Select plan
  - ▶ Form to notify HCA of non-compliance
  - ▶ HCA can investigate and impose sanctions for non-compliance

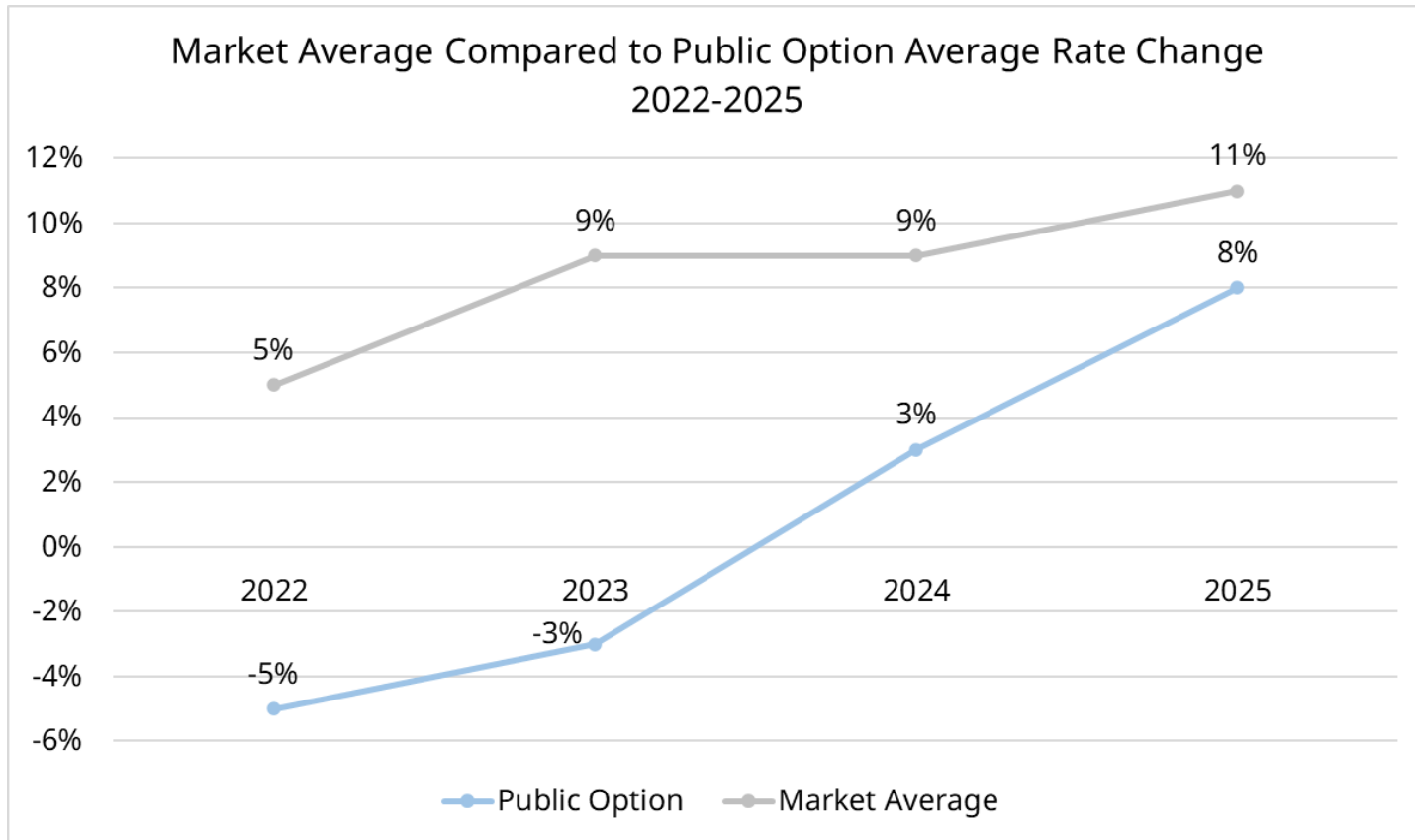
# Cascade Care and Cascade Select: How are they related?

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- ▶ All **standard plans** (marketed as Cascade Care plans) have the same benefits and cost-sharing structure regardless of the insurance company. Standard plans lower customer costs, so they pay less at the doctor's office.
- ▶ **Public option plans** are standard plans selected for the Exchange by the Health Care Authority and intended to be the most affordable qualified health plans. Public option plans have standard benefit design *and* must meet higher quality standards and state-defined reimbursement rates for providers.
- ▶ A **state subsidy** (marketed as Cascade Care Savings) lowers customers premiums through state-funded premium assistance. Customers up to 250% FPL can access standard plans (including public option) for less.



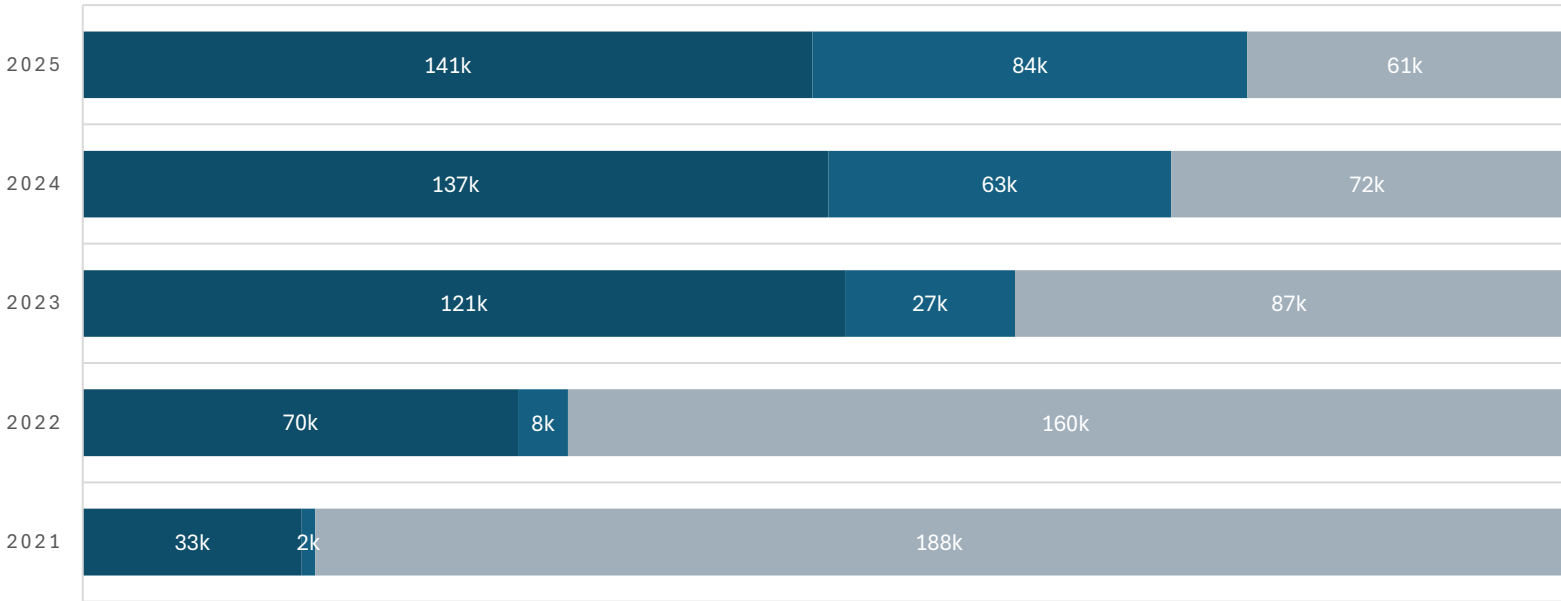
# Cascade Select Affordability



# Cascade Select Enrollment History

## PLAN SELECTION BY TYPE & YEAR

■ Standard ■ Standard - public option ■ Non-standard



# Lessons Learned

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- ▶ Public option positions Washington state to address underlying costs of care, drive competition for lower Exchange premiums, and keep Washingtonians covered.
- ▶ Strengthened provider pricing caps aligned with other state reference pricing approaches could advance meaningfully lower public option premiums for customers.
- ▶ Provider engagement is challenging and requires additional levers.
- ▶ Realizing public option goals requires collaboration and alignment across agencies and authorities.





# Questions?

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# Appendix

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# 2025 Public Option Progress Snapshot

Goal	*Policy Lever to Advance Goal	2025 Progress
Affordability: Meaningfully Lower Premiums	<ul style="list-style-type: none"> <li>Aggregate provider reimbursement target at 160% of Medicare.</li> <li>Reimbursement floors for primary care and critical access hospitals.</li> <li>Participation requirements for hospitals that participate in other public programs, enforced by HCA.</li> <li>Competitively procured and contracts managed by HCA.</li> </ul>	<ul style="list-style-type: none"> <li>Contracted carriers generally meeting provider reimbursement requirements.</li> <li>Public option silver plans are lowest-premium QHPs in 26 of 39 counties, down from 31 counties in 2024.</li> <li>Public option premiums in zero counties are “meaningfully lower” than non-public option premiums.</li> <li>Competitive, selective procurement for PY23-24 advanced affordability.</li> </ul>
Statewide Access	<ul style="list-style-type: none"> <li>Participation requirements for hospitals that participate in other public programs, enforced by HCA.</li> <li>Competitively procured and contracts managed by HCA.</li> </ul>	<ul style="list-style-type: none"> <li>Available in all counties in 2025, and expected in 38 counties in 2026.</li> <li>Provider network “carve outs” cause confusion and access issues.</li> <li>Fastest growing plan second year in a row; 84k enrollees / 30% of Exchange enrollment.</li> </ul>
Quality & Equity	<ul style="list-style-type: none"> <li>Requires cost and quality transparency.</li> <li>Requires adoption of state quality, equity standards.</li> </ul>	<ul style="list-style-type: none"> <li>Regular reporting and monthly monitoring meetings between carriers and HCA.</li> <li>Exchange data do not demonstrate higher quality from public option carriers.</li> </ul>

\*As required by SB 5526 & SB 5377

# Lessons Learned

## Reports to the Legislature and other analysis

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- ▶ Leveraging public option to increase affordability and enrollment does not materially impact hospitals.
- ▶ Public option plan premiums show promise in increasing Exchange customers' access to affordable health plan coverage.
- ▶ Public option enrollees pay less out of pocket when using their benefits to access health care.
- ▶ Targeted hospital pricing caps—aligned with PEBB/SEBB approaches and partnered with strengthened provider requirements—could advance meaningfully lower public option premiums.
- ▶ Introducing new public option requirements could lower public option premiums. New policies that lower public option premiums may create opportunities to apply for federal pass-through of savings to the state that can be used for Exchange affordability programs.
- ▶ Increased public option alignment with other HCA-procured programs could have a positive impact on plan affordability, choice, and market stability.
- ▶ With more focus on affordable premium outcomes and goals alignment, the Cascade Care Vision outlines opportunities to:
  - ▶ Utilize public option plans to create better access and continuity for customers moving between Apple Health and QHPs; and
  - ▶ Consider focusing state premium assistance to only public option plans.

# Website Resources

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- ▶ Health Care Authority

- ▶ [Cascade Select \(public option\) | Washington State Health Care Authority](#)

- ▶ Health Benefit Exchange

- ▶ [Cascade Care Plans | Washington Healthplanfinder](#)
- ▶ [2026 Open Enrollment Preview](#)