

## **Washington Health Benefit Exchange Comment Letter**

### **Health carrier rate development components (R 2025-02)**

The Washington Health Benefit Exchange (Exchange) is writing in support of the Office of the Insurance Commissioner's (OIC's) prepublication draft for rulemaking regarding health carrier rate development components for plan years beginning in 2027. This draft rule would make permanent the OIC's 2025 emergency rulemaking requiring a uniform cost-sharing reduction factor, sometimes referred to as standardized silver loading or premium alignment.

The Exchange supported the OIC's 2025 emergency rulemaking to protect the affordability to individual market enrollees in plan year 2026 given the scheduled expiration of federal enhanced premium tax credits. Early data from 2026 indicates the emergency rule is improving affordability and helping customers stay covered.

The expiration of federal enhanced premium tax credits at the end of 2025 created affordability barriers so significant that 80,000 Washington Health Benefit Exchange customers were expected to drop coverage. The emergency rule is expected to cut estimated 2026 Exchange enrollment losses in half—mitigating increases to Washington's uninsurance rate.

Average net premiums decreased in 2026 for customers still eligible for federal tax credits enrolled at the Bronze and Gold plan metal levels. Based on early analysis of open enrollment data, Washington state has avoided the national trend of customers "buying down" to qualified health plans (QHPs) with less-generous benefits to stay covered. In fact, more than half of customers selected high-value Gold QHPs for 2026, compared to about 20% last year.

In coordination with the OIC, the Exchange took action to support the implementation of premium alignment and will continue to do so in the future. For premium alignment to be successful, the Exchange and those assisting customers are supporting enrollment into the lowest-cost, highest-value QHPs. Tools the Exchange uses to help enact this change include Cascade Care Savings, standard Cascade Care plan design, enhancements to the customer decision support tool, adjusting customers' shopping and plan display, renewing customers into lower-cost plans during open enrollment, and expert assistance from navigators, brokers, and the Customer Support Center.

Federal changes risk individual market stability and Exchange customer access and affordability. Over the next several years, the Exchange is estimated to lose nearly one-third of its enrollment. Market interventions like premium alignment are critical and must be maintained and strengthened. This draft rule would preserve affordability and coverage

continuity for Exchange customers and provide insurers with consistent and clear rate development standards which will contribute to a healthy individual market.