September 25, 2026

Exchange Marketplace

Federal Changes & State Responses

washington healthbenefitexchange
powering washington healthplanfinder

Overview

Washington Health Benefit Exchange manages the eligibility and enrollment for:

- **ACA marketplace** health plans (qualified health plans)
- **Medicaid** coverage based on modified adjusted gross income (MAGI)

In 2026, nearly 1 in 4 Washingtonians get health insurance through Washington Healthplanfinder

washington healthplanfinder
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Cascade Care

250,000

enrollees in qualified health plans

Washington Apple Health

1.5M

enrollees in Medicaid MAGI coverage

Sources of federal policy changes

Annual

Federal Marketplace Regulations

Passed July 2025

HR 1 – Medicaid and Marketplace Legislation

Expired December 2025

Enhanced Premium Tax Credits

Impact on Washingtonians

- Fewer people eligible for coverage
- Harder to get and stay covered
- Higher premiums and overall costs

Federal changes that impacted OE 2026

- DACA recipients no longer eligible for premium tax credits as of Oct. 1

  (In WA, still eligible for QHP coverage through WA Health Path)

- Enhanced premium tax credits expired Dec. 31 (no Congressional intervention to renew)

- Most lawfully present, non-citizens below 100% FPL no longer eligible for premium tax credits

- For premium tax credit recipients, including under 400% FPL, removes repayment caps if they received excess advance tax credits

State mitigation efforts in 2026

Premium Alignment

Maximizes federal premium tax credits

Helps more than 150,000 customers

Cascade Care Savings

State premium assistance program

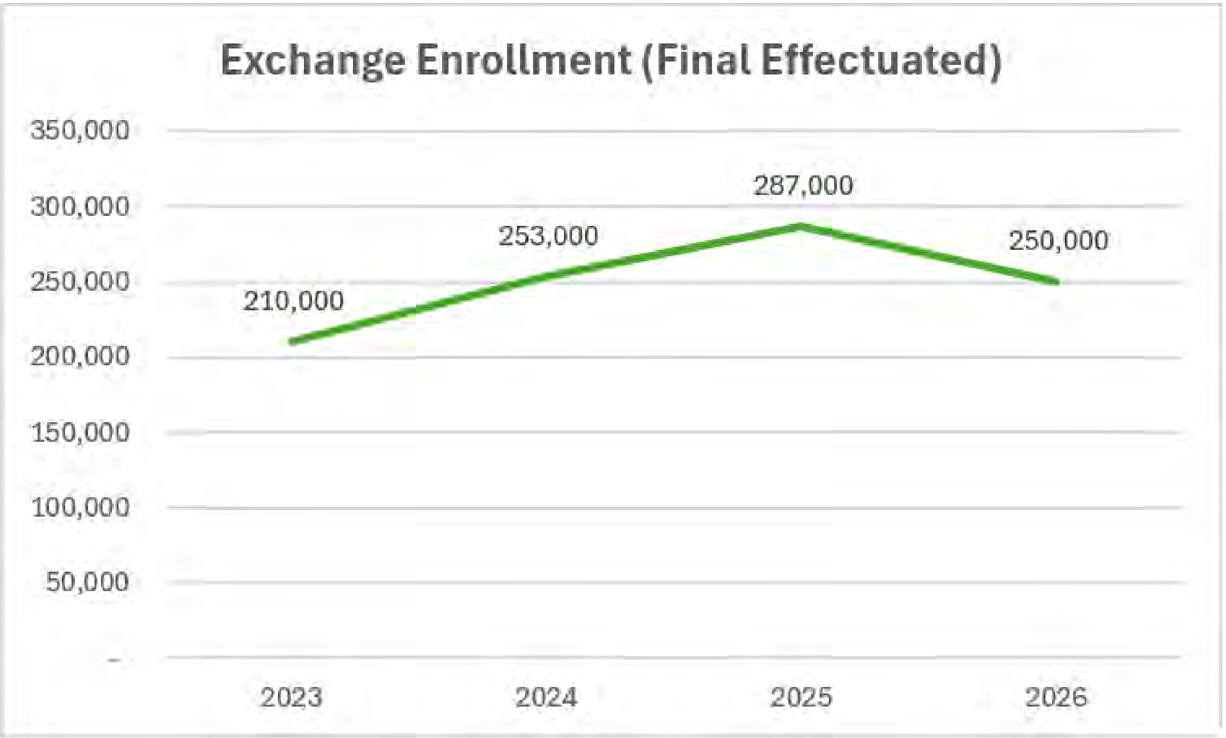
Helps more than 100,000 lower-income customers

Assister Program

Statewide network of navigators, brokers, customer support

Helps Washingtonians understand policy changes and impacts

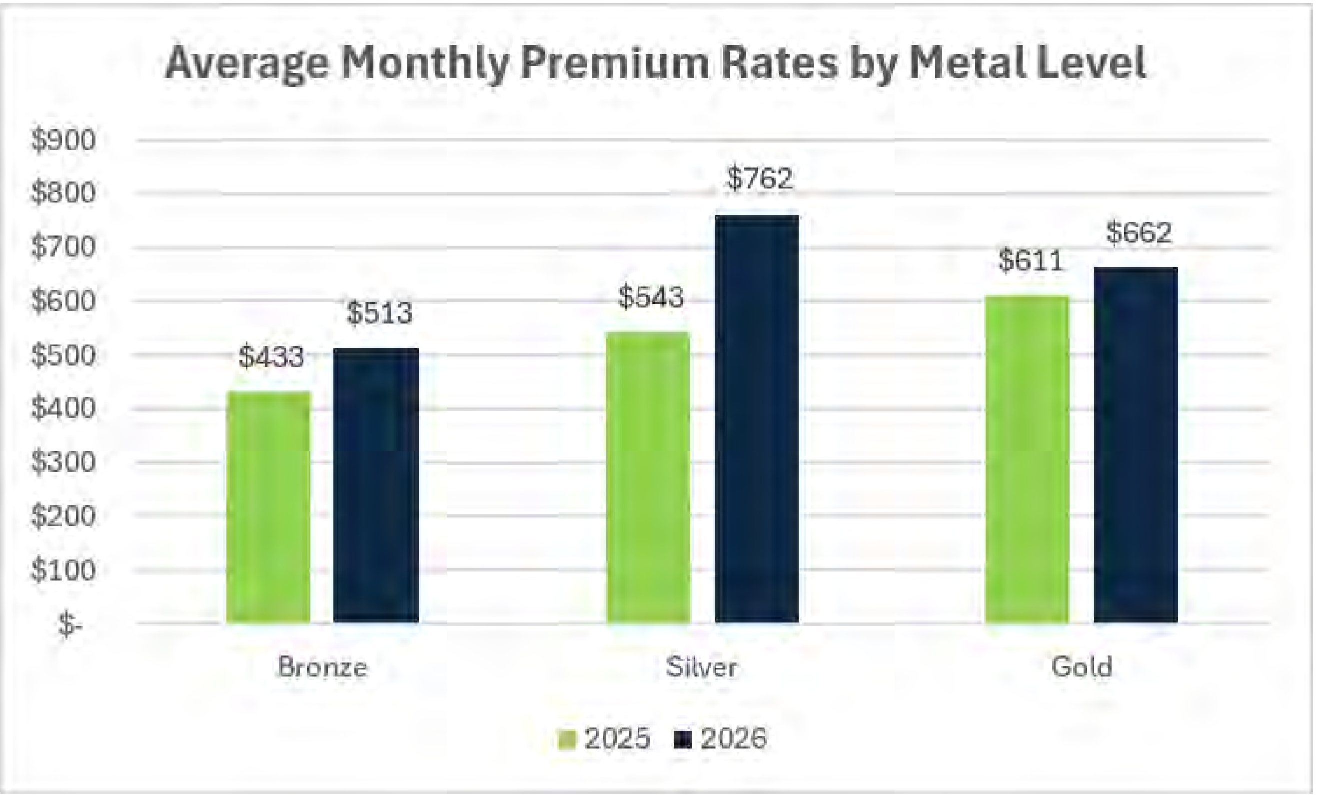
OE 2026 results: enrollment decline



I am probably going to drop my coverage…as I can't afford to be hit with thousands of dollars of extra payments

~ an Exchange customer in Whatcom County

OE 2026 results: premium increases



- Another year of double-digit gross premium increases
- Driven by market uncertainty, hospital outpatient and pharmacy costs, and more
- More people becoming unsubsidized due to enhanced premium tax credit expiration and other federal policy changes

OE 2026 results: other trends

Increase demand for state premium assistance

287,000

Total Exchange customers in 2025

36%

Received CCS

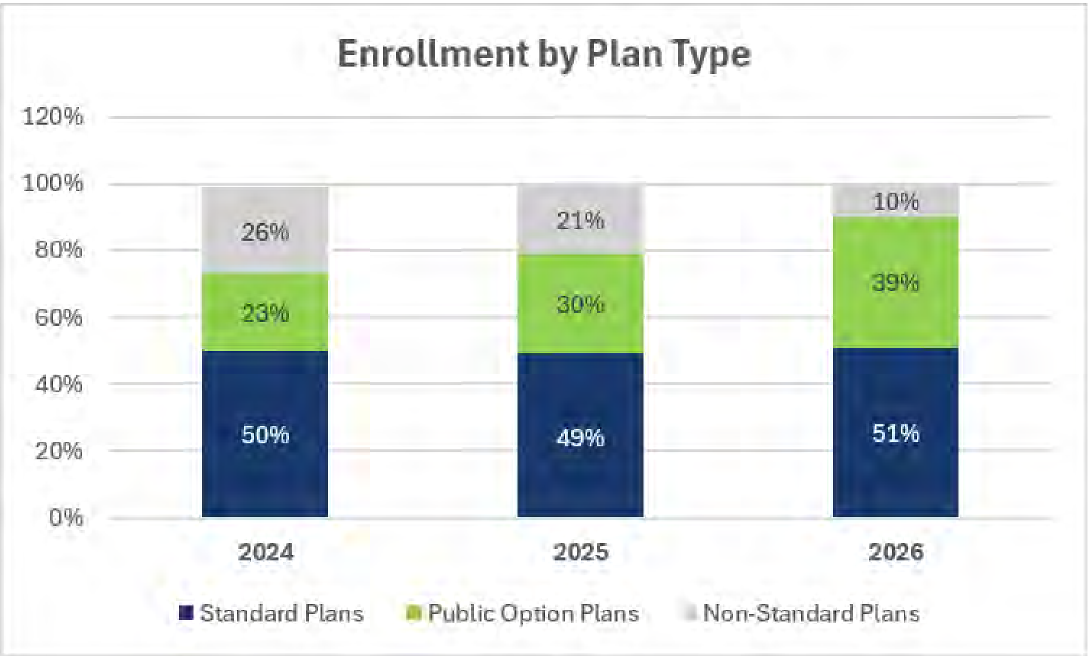
250,000

Total Exchange customers in 2026

40%

Receive CCS

Increase enrollment in public option plans



For more information about 2026 enrollment trends, please see "[2026 Spring enrollment report]"

Navigator story

"I recently had a client receiving treatment for cancer decline to enroll for coverage for 2026, as the premium offered increased to over
$500 per month for the cheapest plan.
The premium paid on previous plan for 2025 was less than $50.

Upcoming federal changes

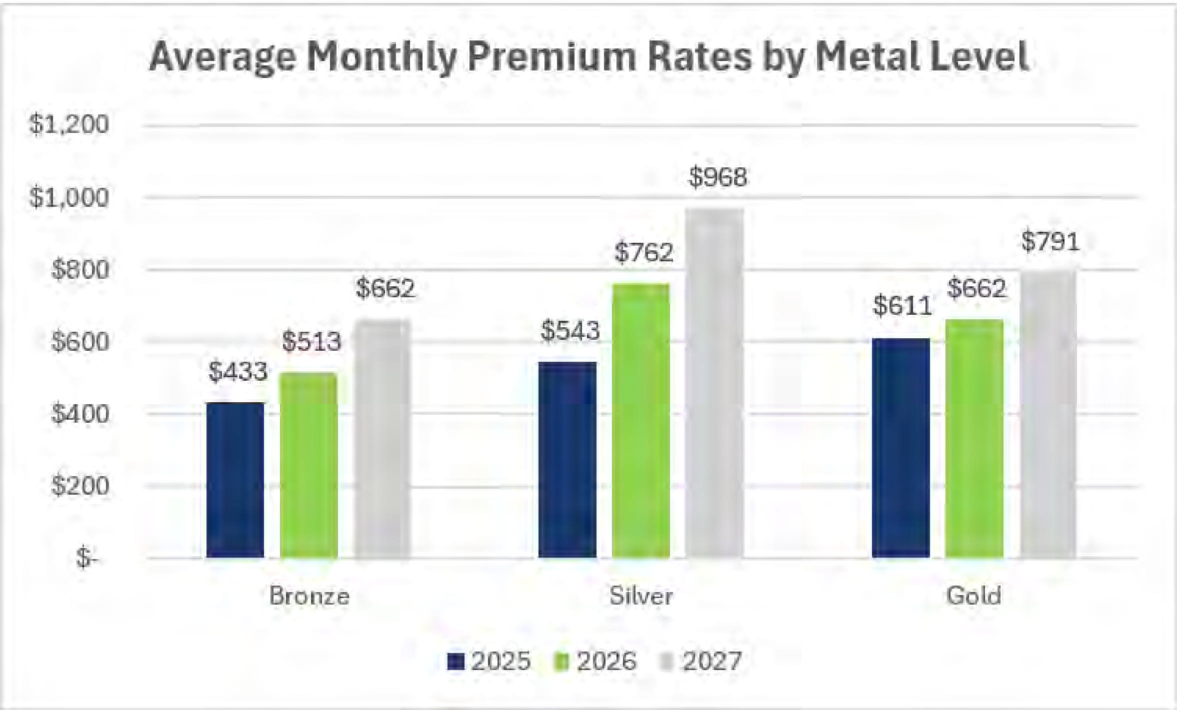
2027

- Most lawfully present, non-citizens above 100% FPL no longer eligible for premium tax credits
- People denied or ineligible for Medicaid due to work requirements not eligible for premium tax credits

2028

- New enrollees can no longer be conditionally enrolled (must resolve data inconsistencies before receiving premium tax credits)
- Returning enrollees can no longer be auto-enrolled into a same or similar plan (must actively renew their plan before receiving premium tax credits)

Anticipated trends



- 2027 will be another year of double-digit premium increases – driven by ongoing uncertainty and increase cost of care
- Impacts unsubsidized customers the most – anticipate additional decrease in enrollment
- Availability of Bronze plans helps provide some relief
- Premium alignment and state premium assistance helps lower net premiums for subsidized customers

Uncertainty of ongoing state mitigation

Premium Alignment

- Signals from CMS to reduce or eliminate state's ability to adopt premium alignment in 2028

Cascade Care Savings

- Program not funded in 2028 and beyond
- State budget pressures

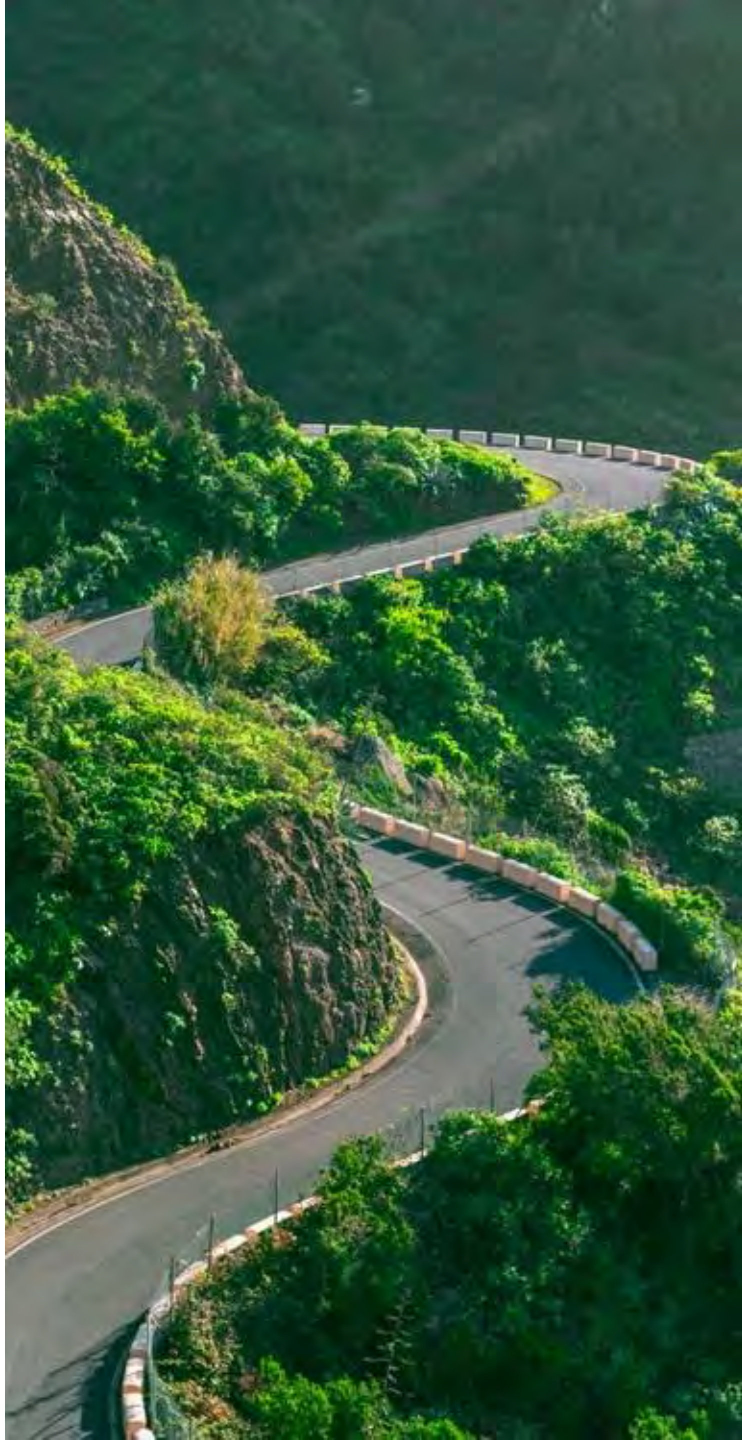
Some judicial successes

- Many provisions of recent CMS rules have been blocked in federal court or remain subject to ongoing legal challenges
  - 2025 Marketplace Integrity and Affordability Rule
  - 2027 Notice of Benefit and Payment Parameters
- Relevant federal decisions
  - City of Columbus et al. v. Kennedy (2025) (Columbus I)
  - California et al. v. Kennedy
  - City of Columbus et al. v. Kennedy (2026) (Columbus II)

For more information, see: "Litigation Status of Marketplace Rules Provisions" – State Health & Values Strategies

The road ahead

- Maximize existing authority to minimize coverage loss
- Maximize federal premium tax credits
- Continue to support Exchange customers and Medicaid clients
- Continue to address the cost of care



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