



Washington State’s 1332 Waiver, Explained

In December 2022, the Centers for Medicare & Medicaid Services (CMS) [approved](#) the State of Washington’s Section 1332 [innovation waiver](#) (“waiver”) request to expand coverage options available through Washington Healthplanfinder, the state’s health insurance marketplace. Starting in 2024, *all* uninsured Washingtonians, regardless of immigration status, will be eligible to receive health and dental coverage on Washington Healthplanfinder.

In addition, the waiver allows all people with incomes up to 250% of the federal poverty level (FPL) to be eligible for Cascade Care Savings, the new state premium subsidy program. The waiver is effective from January 1, 2024 through December 31, 2028.

What is a 1332 Waiver?

A 1332 Waiver, named for Section 1332 of the Affordable Care Act (ACA), is permission from the federal government for a state to develop an innovative approach to providing health insurance coverage. Seeking a “1332 waiver” allows a state to waive or change parts of the ACA in order to reduce costs for consumers and potentially save the federal government money. If granted, a waiver can allow states to keep the savings and pass them through to consumers residing in the state, making coverage options even more affordable.

Washington Section 1332 Waiver’s effect on premiums, enrollment, and federal deficit					
	2024	2025	2026	2027	2028
Premiums	-0.25%	-0.27%	-0.33%	-0.34%	-0.34%
Individual Market Enrollment	1.1%	1.3%	1.3%	1.3%	1.4%
Federal Savings (\$ millions)	\$1.7	\$2.0	\$2.2	\$2.4	\$2.6

Note: These numbers are projected figures
 Source: [Washington Health Benefit Exchange Waiver 1332 Information](#)

What does Washington plan to do with its 1332 Waiver?

Coverage for all Washingtonians

Washington’s waiver expands eligibility for qualified health plans (QHPs) and qualified dental plans (QDPs) to all Washingtonians, by exempting the state from Section 1312(f)(3) of the ACA, which limits eligibility on the marketplace to “lawful residents.” Approximately [105,000 uninsured people](#) currently ineligible for health care coverage due to federal restrictions will be able to purchase coverage on Washington Healthplanfinder in 2024.

The waiver aims to improve health equity by expanding access to insurance for people who are undocumented, who are [more than five times](#) more likely to be uninsured than U.S. citizens. The waiver also will reduce barriers that currently prevent mixed-status families from applying for coverage together by allowing all consumers to shop for and enroll in the same plans through the same marketplace. In addition, people in mixed-status families can enroll in one plan with a single family deductible.

Access to State Subsidies

[Cascade Care Savings](#) is a state-funded program that provides premium subsidies to Washington individuals and families with incomes up to 250% of the federal poverty line. Until this waiver goes into effect in 2024, the program’s eligibility is limited to U.S. citizens and “lawfully present” residents. The approved waiver will permit all eligible Washingtonians, regardless of immigration status, to receive Cascade Care Savings to reduce their premiums. Under the waiver, the projected state subsidy and average premium for those on the Cascade Care Savings program in 2024 is expected to be as low as \$6 for people also eligible for federal subsidies and \$312 for those ineligible for federal subsidies. The waiver does not change eligibility requirements for federal premium tax credits (PTCs), which remain limited to U.S. citizens and “lawfully present” immigrants (per federal law).

Cascade Care Savings Projected Impact on Consumers

	2024 (with ARP**)
In Addition to APTC: Average State Subsidy PMPM*	\$31
Those Ineligible for APTC: Average State Subsidy PMPM	\$184
With APTC: Average Net Premium PMPM	\$6
Those Ineligible for APTC: Average Net Premium PMPM	\$312

*Premium per member per month

**American Rescue Plan expanded premium tax credits

Source: [Washington Section 1332 Waiver Application](#); May, 2022

How do this waiver and the Washington public option work together?

With the approval of this 1332 Waiver, Washington is building upon previous efforts to expand affordable health coverage options available to residents, including its first-in-the-nation [public option program](#), Cascade Select. Undocumented immigrants living in Washington are able to access Cascade Select. Now, people with lower-incomes can leverage the subsidies offered through the Cascade Savings Program, allowing those enrolled in the public option to see even lower premiums. Both premiums and out of pocket costs are known barriers to receiving care.

What can other states take away from this waiver?

Washington has long been a leader in centering health equity and expanding access to comprehensive, affordable health care, and this waiver continues that tradition. This Evergreen State’s 1332 Waiver centers equitable access to coverage and provides a clear pathway for other states looking to expand the number of people with access to health insurance coverage, as a [significant portion](#) of adults still uninsured nationwide are undocumented and barred from the insurance marketplace. This waiver is possible largely due to Washington’s state-based exchange, Washington Healthplanfinder, which offers significant flexibility in constructing an insurance marketplace that best tailored to fits the needs of the

Washington’s Public Option Program

- Washington’s first-in-the-nation public option, known as Cascade Select, was [approved](#) by the legislature in 2019 and first offered to enrollees in 2021.
- [Cascade Select](#) plans are offered by private health insurers and offer standard benefits with low cost-sharing. Providers are reimbursed at a rate above Medicare. The program was [updated](#) in 2021 to improve affordability and access by requiring hospitals accepting patients with public benefit plans to be in-network with one or more Cascade Select plans. The 2021 legislation also established the Cascade Care Savings subsidy program.

state. States looking to replicate Washington's success that operate a federally facilitated marketplace should consider transitioning to a state-based exchange.