US Senator Maria Cantwell

Southwest Washington Health Care Affordability Event

August 11th, 2025

Other Participant Remarks

[VIDEO]

Marnie Farness: Thank you. Well good morning, almost good afternoon. Thank you for having me. I am Marnie Farness, I'm Director of Programs with Workforce Southwest Washington. We oversee workforce investments and partnerships across Clark, Cowlitz, and Wahkiakum Counties here in Southwest Washington, where we align funding, programs, and strategies so businesses can access the talent they need, and workers can access training, jobs, and career pathways.

So we're here today because the threat of rising health care costs poses serious challenges for both workers and businesses, especially those operating on thin margins. Our focus industries at Workforce Southwest Washington are generally manufacturing, health care, and construction here in our region.

Those industries offer strong, long-term opportunities for workers, but they're not immune to these rising health care costs and the pressures that come with them. And it's not just these key sectors that will feel the pinch. Of course, many businesses, especially entrepreneurs, main street businesses, and other small employers in our region, they're already under strain.

Health care is one of the highest costs they face, as we know, often costing $800 a month or more per person. So for many, that's simply not sustainable, and if premiums rise as they're expected to, we'll likely see increased job losses, reduced hours, and more costs pushed on workers.

Even at my own organization, if costs rise significantly, we may have no choice but to pass those increased costs on to employees like myself. In the construction industry, where most firms are quite small, this challenge is especially clear. Workers often rely on their partners' plans, they purchase coverage through the state's exchange, or they go without insurance altogether, which, of course, is the most unfortunate.

On another note, recently we're starting to see rising numbers in workers being laid off through no fault of their own in our region. People who suddenly find themselves without coverage and limited options. These individuals are doing everything right, and yet rising health care costs leave them with few good choices.

So my organization, over the last five years, has done a lot of talking with community members finding out what they consider to be a good job. What we've heard over and over, it comes down to competitive wages, healthcare and benefits, predictable schedules, growth opportunities, and safe working conditions.

But one thing is clear, one thing that comes up over and over, is health care and benefits. And for businesses of all sizes, it's a critical tool for attracting and retaining and supporting a reliable workforce.

So in closing, affordable health care is not a luxury. We cannot look at it like it's a luxury. It's essential to business stability, for workforce resilience, and a healthy economy.

Thank you. I'm going to introduce Dana Christianson next.

Dana Christiansen: Thank you for coming. Welcome to my school, Tree Hill Learning Center. I took over this location in 2009 and built my second location in March of 2020. Real good time. We probably serve over 260 children, and we employ nearly 45 dedicated teachers, cooks, and administrators here.

The child care industry operates on very thin margins, which makes rising health care costs incredibly challenging. I view providing health benefits not as a perk, but as a fundamental necessity. It's non-negotiable for me, as I never want an unforeseen illness to financially ruin an employee or force them to neglect their health.

I truly care about my employees' well-being, and while I strive to increase hourly rates, it moves them well beyond any eligibility for state or federal assistance. Each year, I face the difficult decision of how much of the rate hikes, currently at 24%, do I take on and absorb, how much do I pass on to the employee, how much do I pass on to the families in the form of tuition increases, and, most painfully, what benefits I might have to cut?

Our child care staff are the unsung heroes, shaping the minds of our youngest children. They deserve more than just appreciation, they deserve a comprehensive and robust health care plan. Denying this undermines the very foundation of our child care community and economy.

Healthy and financially secure staff provide better care. When my teachers are not worried about their financial well-being, they are more present, more engaged, and create an environment for children that can truly flourish, which is our ultimate goal.

Let's even address a bigger issue. We are facing a significant childcare crisis in our state and across the nation. Staff turnover and retention are constant issues. A robust healthcare plan can stabilize the workforce and serve as a crucial recruitment tool to attract the best teachers for our children.

Moreover, escalating child care costs are forcing families to choose between their job or putting their children in unlicensed child care situations. This is why I work diligently to not to avoid passing these rate increases on to my families.

We cannot solve this problem alone. We need the support of lawmakers, the insurance industry, and regulatory agencies to address the root causes of these rate increases that are disproportionately affecting those who need it the most.

The path forward demands courage, creativity, and an unwavering commitment to our employees across all small businesses.

Stacey Johnson: Thank you for having me, Senator Cantwell.

My name is Stacey Johnson. I'm a local insurance broker and the owner of Your Insurance Gal agency in Vancouver. I work with group insurance, the individual market under age 65, and with Medicare beneficiaries.

Today, I'll be speaking first about individual health insurance and then Medicare.

Based on early indications, individual market health insurers will introduce the largest hike in premiums since 2018. Each spring and summer, health insurers submit rate filings to state regulators to justify premium changes for the upcoming year. Premiums will be rising in 2026 due to seven key drivers.

First, rising medical costs. Hospitals, doctors, and outpatient services are getting more expensive. Regents alone estimates that more than 10% annual claim growth is what they are experiencing.

High-cost drugs, specialty medications, and GLP-1 drugs like Ozempic and Wegovy are fueling double digit pharmacy cost increases.

Labor costs, workforce shortages, and inflation drive providers to demand higher reimbursement rates.

Provider consolidation and mergers reduce competition, allowing providers to charge more.

Loss of enhanced premium tax credits: subsidized enrollees are generally shielded from annual rate increases, as their tax credits keep premium payments capped at a portion of their income. However, subsidy expiration could add three to five percent to Washington premiums and raise net costs by 75% or more.

Federal rule changes: new rules may push healthier members out, worsening the risk pool.

And last but not least are tariffs. Possible import tariffs could raise medical supply costs and drug costs, though most Washington insurers haven't even factored this in yet.

The impact of the above factors will have the following consequences: bigger monthly bills. Most will see double digit hikes without plan subsidies. Premiums could jump hundreds per month. Less choice: healthy members dropoff may lead to fewer plan options and smaller provider networks. More uninsured: higher costs could push many to go without coverage, raising costs for those who remain. And ongoing pressure: drug and provider cost growth will keep premiums climbing in future years.

The bottom line for Washington: 2026 premiums are being driven up by a mix of rising health care costs, expensive new medications, workforce shortages and policy uncertainty, especially the possible loss of enhanced federal subsidies.

Without congressional action, the combined effect will mean sharply higher premiums and coverage losses for tens of thousands of Washingtonians.

What premiums and reduced benefits could mean for Medicare beneficiaries in 2026: higher out of pocket costs. Medicare Advantage members will pay more. Average out of pocket costs are up 5% in 2025, ending several years of steady declines. Most members, up to 70%, will feel increases directly in their wallets.

They'll have fewer plan choices: the number of plan options per beneficiary has dropped for the first time in years. In 2025, nearly 10% of beneficiaries lost access to their current plan and had to shop for a new one. This trend is expected to continue in 2026.

Cuts to supplemental benefits: many plans are cutting back on popular supplemental benefits such as dental, vision, and over the counter allowances. Fewer members will have access to comprehensive dental coverage and generous over the counter allowances.

Less value and more scrutiny: as costs rise and benefits shrink, beneficiaries will need to review their plan options and may have to settle for less coverage or higher out of pocket expenses. Plan switching is expected to rise as people look for a better value.

The bottom line? For 2026, Medicare beneficiaries should expect to pay more and potentially receive less rich supplemental benefits. In some counties, companies are likely to exit the market altogether, as high utilization and increased costs have made plans unsustainable.

Senator Cantwell.