

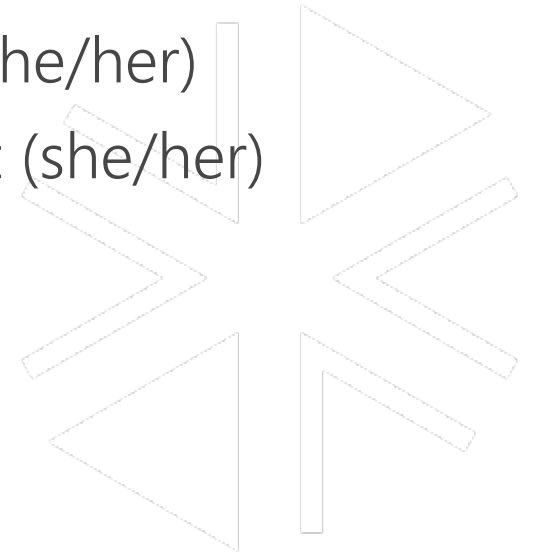


Looking Ahead: PY 2025 Cascade Care Plan Design

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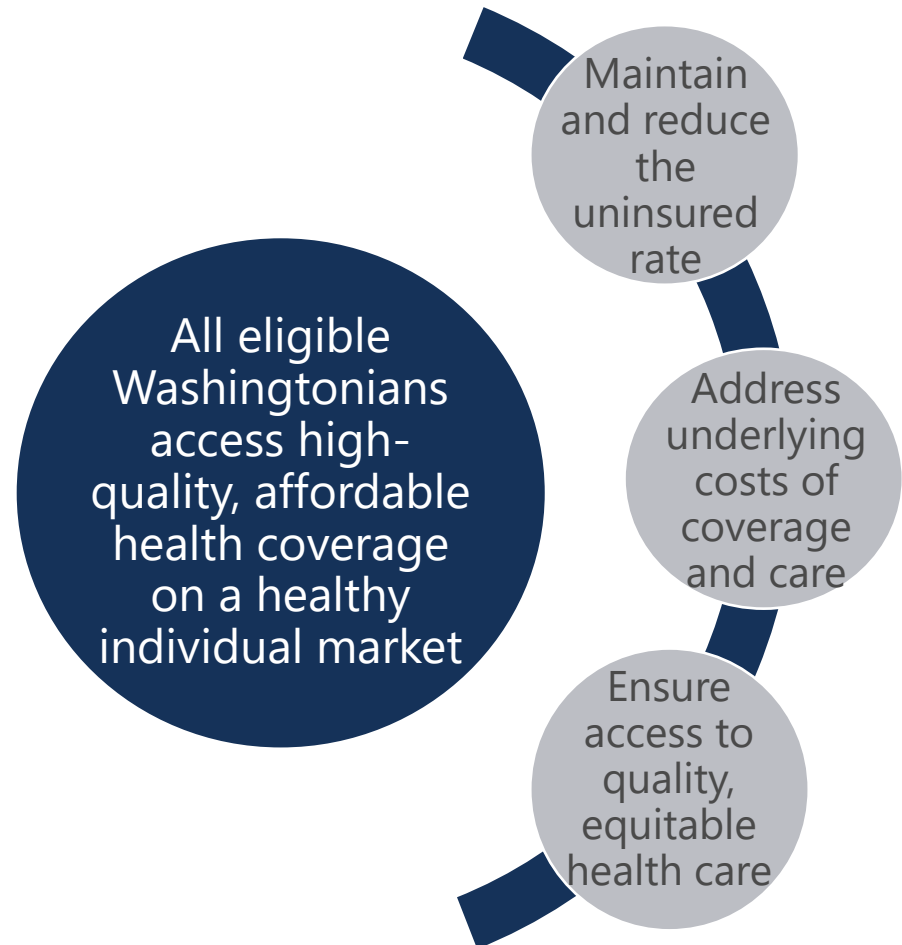
Today's Discussion

Continuing to integrate value-based benefit design into Cascade Care plans in 2025 and beyond.

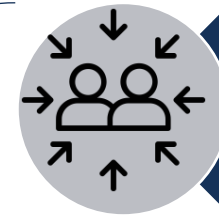
- Background:
 - Cascade Care mid-range vision and value-based insurance design (VBID)
 - Cascade Care plan design background & current inclusion of VBID elements
 - How other state-based marketplaces are approaching VBID in standard plans
- Discussion:
 - Guiding principles for integration of VBID in PY2025
 - Increasing access to high clinical value care: Populations/conditions of focus and plan design approaches
 - Paying for more generous coverage of high clinical value care: Options for trade-offs in plan design

Cascade Care Mid-Range Vision

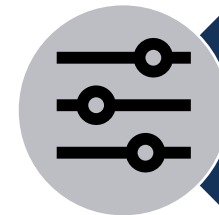
2-5 Year Vision & Strategies



Core Action Opportunities



Maximize ability to strengthen Exchange participation requirements (Guidance for Participation)



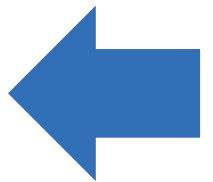
Move in a direction to require that plans offered are meaningfully different to minimize choice overload



Cascade Care plans have higher requirements to deliver affordability, quality, value, and equity



Maximize opportunities to address underlying costs through Cascade Select (public option)



Why Value-based Insurance Design?

Advancing Affordability, Access, Quality, & Equity

VBID is the alternative to “blunt” consumer cost sharing.

- Sets consumer cost sharing on clinical benefit—not price.
- Little or no out-of-pocket cost for high clinical value care; higher cost share or eliminating coverage for low clinical value/harmful care.
- Successfully implemented by hundreds of public and private payers.
- Enhances equity.

DISPARITIES

By Niteesh K. Choudhry, Katsiaryna Bykov, William H. Shrank, Michele Toscano, Wayne S. Rawlins, Lonny Reisman, Troyen A. Brennan, and Jessica M. Franklin

Eliminating Medication Copayments Reduces Disparities In Cardiovascular Care

Source: A. Mark Fendrick, “V-BID X: Expanding Coverage of Essential Clinical Care and Enhancing Equity Without Increasing Premiums or Deductibles.” <https://vbidcenter.org/whbe-2022/>

Cascade Care Plan Design Background

WAHBE Standard Plan Program

- Have designed four years of standard plans thus far.
 - Essential, high value services at co-pay before deductible in all metal levels (primary care, mental/behavioral health, urgent care, generic Rx)
 - Minimal changes to plan design from 2021-2023
- Opportunity to look at standard plan design with longer-term goals in mind.

2024 Plan Design Approach

- Move toward value-based insurance design to advance affordability, value, quality and equity.
 - Ensure Exchange customers have access to the highest quality plans that advance affordable, high-value, equitable care delivery.
 - Build upon nationally recognized models, while using data to inform initial and highest-impact areas of focus for Washington Exchange.
- Set the path for value-based benefit design in 2024 plan design.
 - Considerations for 2024 standard plans: Applying access models such as virtual care and more effective options for pre-deductible services.

Foundational principle for 2024 and beyond: Preserve premium affordability.

VBID Features in 2024 Cascade Care Plans

- Pre-deductible services in all plans
 - Primary care, behavioral health, urgent care, generic drugs, home health, hospice
- Maximize use of co-pays vs. coinsurance
- Concentrate on ensuring deductible as low as possible
 - Choice to focus on balancing in other areas of plan design
 - Cascade Care plans have deductibles an average of \$1,000 lower than non-Cascade plans
- **New in PY 2024: Upfront visits in silver and bronze plans**
 - Two \$1 primary care and two \$1 behavioral health visits

Other State Exchange Standard Plan VBID Features

Two approaches: Service category and condition specific

Primary Care/Mental Health Office Visits

- Many states offer some high-value services such as primary care office visits and mental health office visits at copay or no cost before the deductible (similar to the option implemented in PY24 WA plan designs)

Diabetes Care

- Three states (DC, CO, MA) offer reduced or no cost-sharing for diabetics, including insulin supplies, continuous glucose monitors and/or preventive services such as retinal or foot exams

Specific Mental Health/Substance Use Disorder Care

- Two states (DC, MA) offer reduced or no cost-sharing for specific behavioral health benefits such as opioid use disorder treatment and pediatric mental health

Proposed Guiding Principles for VBID Features in Cascade Care Plans

- **Align with other state purchaser priorities**
 - Behavioral health care, advanced primary care, appropriate treatment for low back pain
 - Send aligned signals to providers and carriers
- **Address known health disparities to promote equity**
 - Using research sources such as Washington Health Alliance Community Checkup Area Deprivation Index (ADI)
- **Increase access to high clinical value services while reducing low clinical value/harmful care**
 - Out-of-pocket costs should not be reason consumer forgoes care that maintains or improves their health
 - Significant positive impact on BIPOC communities
- **Use available data to inform design choices**
 - Exchange Quality Program measure results, Alliance Health Care Waste Report
- **Designs plans with consumers in mind**
 - Any plan changes consider how consumer needs differ by metal level
- **Preserve premium affordability**
 - Foundational principle for Cascade Care plan design
- **Advance VBID in Cascade Care plans incrementally and evaluate often**
 - Do not go backward, e.g., maintain \$1 primary care and behavioral health visits
 - Incremental progress guided by evaluation

High Clinical Value Approaches to Consider

Addressing Exchange Customer Health Priorities in Cascade Care Plans

Potential priority areas and examples of benefit design:

- Primary Care
 - \$0 primary care visits with named/assigned PCP
 - \$0 labs and/or radiology if ordered by PCP
- Behavioral Health
 - Unlimited \$0 behavioral health office visits
 - Select \$0 drugs such as generic antidepressants
- Appropriate Care for Low Back Pain
 - No-cost physical therapy, acupuncture, chiropractic care for pain treatment as alternatives to surgery, injections, opioids
- Diabetes Care
 - No-cost insulin, eye and foot exams, supplies (glucose monitors)
- Maternity Care
 - No-cost prenatal visits and tests






Potential benefit design approaches:

- Service Categories
 - A “lift all boats” approach
 - Potentially more feasible in PY2025
 - Examples of service categories include specialist visits, inpatient hospital services, generic drugs, x-rays and diagnostic imaging
- Condition Specific Services
 - A targeted approach to address specific conditions, populations
 - Similar to approaches adopted by DC and MA, e.g., focus on opioid use disorder treatment, pediatric mental health, diabetes services

Paying for More Coverage of High Clinical Value Care

Reduce Spending on Low Clinical Value/Harmful Care

Trade-Off Options:

-  Increase premiums.
-  Raise deductibles, OOP maximums.
-  Reduce spending on low clinical value/harmful care.






Source: A. Mark Fendrick, "V-BID X: Expanding Coverage of Essential Clinical Care and Enhancing Equity Without Increasing Premiums or Deductibles." <https://vbidcenter.org/whbe-2022/>

Approaches to Reduce Low Clinical Value/Harmful Care to Increase Access to High Clinical Value Care

Coverage for Specific Treatments

Below are top five “almost always low value” services

Examples include:

-  Vitamin D screening tests
-  Diagnostic tests before low-risk surgery
-  PSA screening for men 70 and older
-  Branded drugs when identical generics are available
-  Low-back pain imaging within 6 weeks of onset

Coverage for Select Service Categories

Below are recommended for cost-share increases in V-BID X plan

- Advanced imaging (MRI, PET, CT)
- Outpatient surgery
- Specialist office visits
- Lab and X-ray
- Non-preferred brand drugs

Cascade Care Plan Design Next Steps

2025 Standard Plan Design Process:

- Spring 2023: Continued 2025 goal and focus development
- Summer/fall 2023: Plan design modeling reviews
- Late fall 2023: Public comment period on proposed 2025 Cascade Care plans
- December 2023: Exchange Board approval of 2025 Cascade Care plans
- 2023: Development of VBID roadmap for Cascade Care plans PY2026-2027

V-BID X: Key Takeaways

- **Cost neutral V-BID designs are feasible. Coverage can be enhanced for targeted high-value services, without raising premiums and deductibles**
- **There are a large number of plausible combinations of services or cost-sharing changes that could fit different needs and goals, depending on the carrier and market**

Source: A. Mark Fendrick, "V-BID X: Expanding Coverage of Essential Clinical Care and Enhancing Equity Without Increasing Premiums or Deductibles." <https://vbidcenter.org/whbe-2022/>

Appendix

- Cascade Care Workgroup Roster
- VBID Resources
- 2024 Cascade Care Plan Designs
- Cascade Care Mid-Range Vision Outline





SCHOOL OF PUBLIC HEALTH

CENTER FOR VALUE-BASED INSURANCE DESIGN
UNIVERSITY OF MICHIGAN

V-BID X: Expanding Coverage of Essential Clinical Care and Enhancing Equity Without Increasing Premiums or Deductibles

A. Mark Fendrick, MD

University of Michigan Center for
Value-Based Insurance Design

June 2022 Cascade Care Workgroup presentation & resources:

<https://vbidcenter.org/whbe-2022/>

Why Value-based Insurance Design?

Clinically driven plan designs, like *V-BID X*,
reduce spending on **low-value care**



...creating headroom to reallocate spending
to **high-value services** without increasing
premiums or deductibles

WAHBE 2024 Standard Plan Designs As of February 21, 2023, pending final AV calculator adjustments, as needed

Individual Market Gold, Silver, and Bronze Plans

Benefits	2024 Standard Gold	2024 Standard Silver	2024 Standard Bronze
Deductible and Out-of-Pocket Maximum			
Medical/Pharmacy Integrated Deductible	No	Yes	Yes
Medical (or Integrated, if Applicable)/Pharmacy Deductibles (\$)	\$600 / \$0	\$2,500	\$6,000
Medical/Pharmacy Integrated MOOP	Yes	Yes	Yes
Medical/Pharmacy Integrated MOOP (\$)	\$6,100	\$9,200	\$9,200
Office Visits			
Preventive Care/Screening/Immunization	\$0	\$0	\$0
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	\$15	\$30***	\$50***
Specialist Visit	\$40	\$65	\$100
Mental/Behavioral Health and Substance Use Disorder Outpatient Services-Office	\$15	\$30***	\$50***
Emergency/Urgent Care Services			
Emergency Care Services	\$450	\$800	40%
Urgent Care	\$35	\$65	\$100
Ambulance	\$375	\$375	40%
Outpatient Diagnostic Tests			
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	\$350	\$600	40%
Outpatient Surgery Physician/Surgical Services	\$75	\$200	40%
Mental/Behavioral Health and Substance Use Disorder Outpatient Services - Other	\$15	\$30	40%
Outpatient Diagnostic Tests			
Laboratory Outpatient and Professional Services	\$20	\$40	40%
X-rays and Diagnostic Imaging	\$30	\$65	40%
Advanced Imaging (CT/PET Scans, MRIs)	\$300	30%	40%
Inpatient Services			
All Inpatient Hospital Services (inc. MH/SUD, Maternity)	\$525*	\$800*	40%
Skilled Nursing Facility	\$350**	\$800**	40%
Pharmacy			
Generics	\$10	\$25	\$32
Preferred Brand Drugs	\$60	\$75	40%
Non-Preferred Brand Drugs	\$100	\$250	40%
Specialty Drugs (i.e. high-cost)	\$100	\$250	40%
All Other Benefits			
Speech Therapy	\$25	\$40	40%
Occupational and Physical Therapy	\$25	\$40	40%
Durable Medical Equipment (DME)	20%	30%	40%
Home Health	\$15**	\$30**	\$50**
Hospice	\$15**	\$30**	\$50**
All Other Benefits	20%	30%	40%
Estimated 2024 AV	81.89%	71.79%	64.55%

Shaded Items are not Subject to Deductible.

* Per day copay, maximum of five copays per stay

** Per day copay

*** Eligible for two visits at \$1 copay, after which stated cost-sharing applies.

Individual Market Silver Plan and CSR Variations

Benefits	2024 Standard Silver 94% AV	2024 Standard Silver 87% AV	2024 Standard Silver 73% AV
Deductible and Out-of-Pocket Maximum			
Medical/Pharmacy Integrated Deductible	Yes	No	Yes
Medical (or Integrated, if Applicable)/Pharmacy Deductibles (\$)	\$0	\$750 / \$0	\$2,500
Medical/Pharmacy Integrated MOOP	Yes	Yes	Yes
Medical/Pharmacy Integrated MOOP (\$)	\$1,200	\$2,500	\$7,550
Office Visits			
Preventive Care/Screening/Immunization	\$0	\$0	\$0
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	\$5***	\$10***	\$30***
Specialist Visit	\$15	\$30	\$65
Mental/Behavioral Health and Substance Use Disorder Outpatient Services - Office	\$5***	\$10***	\$30***
Emergency/Urgent Care Services			
Emergency Care Services	\$150	\$425	\$800
Urgent Care	\$15	\$30	\$65
Ambulance	\$75	\$175	\$325
Outpatient Diagnostic Tests			
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	\$100	\$325	\$600
Outpatient Surgery Physician/Surgical Services	\$25	\$120	\$200
Mental/Behavioral Health and Substance Use Disorder Outpatient Services - Other	\$5	\$10	\$30
Outpatient Diagnostic Tests			
Laboratory Outpatient and Professional Services	\$5	\$20	\$40
X-rays and Diagnostic Imaging	\$15	\$40	\$65
Advanced Imaging (CT/PET Scans, MRIs)	15%	20%	30%
Inpatient Services			
All Inpatient Hospital Services (inc. MH/SUD, Maternity)	\$100*	\$425*	\$800*
Skilled Nursing Facility	\$100**	\$425**	\$800**
Pharmacy			
Generics	\$5	\$12	\$24
Preferred Brand Drugs	\$12	\$35	\$75
Non-Preferred Brand Drugs	\$35	\$160	\$250
Specialty Drugs (i.e. high-cost)	\$35	\$160	\$250
All Other Benefits			
Speech Therapy	\$5	\$20	\$40
Occupational and Physical Therapy	\$5	\$20	\$40
Durable Medical Equipment (DME)	15%	20%	30%
Home Health	\$5**	\$10**	\$30**
Hospice	\$5**	\$10**	\$30**
All Other Benefits	15%	20%	30%
Estimated 2024 AV	94.81%	87.68%	73.81%

Shaded Items are not Subject to Deductible.

* Per day copay, maximum of five copays per stay

** Per day copay

*** Eligible for two visits at \$1 copay, after which stated cost-sharing applies.



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