# Cascade Care Workgroup

June 14, 2022

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# Cascade Care Workgroup - Agenda

| Time | Topic | Facilitator |
|---|---|---|
| **1:00** | Welcome and Introductions (5 min.) | Laura Kate Zaichkin, HBE Senior Policy Advisor |
| **1:05** | Standard Plan Direction: Value-based Benefit Design (40 min.) | Dr. A. Mark Fendrick<br>Director, University of Michigan Center for Value-Based Insurance Design |
| **1:45** | Standard Plan Direction: Applying VBID Examples to WAHBE Standard Plans (25 min.) | Jon Kromm, Gary Cohen & Lauren Ohata<br>Health Management Associates |
| **2:10** | Standard Plan Direction: 2024 Standard Plan Options (15 min.) | Christine Gibert, HBE Policy Director |
| **2:25** | Next Steps & Adjourn (5 min.) | Laura Kate Zaichkin |

# Cascade Care

Increase the availability of quality, affordable heath coverage in the individual market.

- **Address costs** through lower premiums, lower deductibles, and providing access to services before having to pay the deductible. This includes leveraging federal and state-based financial assistance, state purchasing power, and provider reimbursement expectations.
- Encourage more informed consumer choice with **products of better value and like benefits** across all participating carriers.
- **Grow enrollment** by attracting new enrollees and retaining current customers.
- Ensure **continued market stability** through carrier participation, competitive product offerings, and a larger and more diverse risk pool.

# Standard Plan Design: Direction and 2024 Options

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# Standard Plan Development

Background:

- Standard plan development consultation is a primary role of the Cascade Care Workgroup.
- Have designed three years of standard plans thus far.

May Workgroup Discussion:

- Opportunity to look at standard plan design with longer-term goals in mind.
- Introduced VBID as a tool to advance quality and equity in standard plan design.

Standard Plans Guiding Principles:

- Lower deductibles and access to more services before the deductible.
- Prioritize copays where possible to provide predictability for consumers when seeking services.
- Limit premium impacts.
  - Particularly at bronze, where consumers may be most premium sensitive and coverage is limited.
- Maximize tax credits with silver plan design.

# Standard Plan Development

## Today's Discussion

### Value-based Benefit Design Considerations:

- VBID fundamentals.
- VBID application in state exchanges.
- Options and examples of applying value-based standard plan design to advance quality and/or equity.

### Setting the Path in 2024 Plan Design:

- Considerations for 2024 standard plans: applying access models such as virtual care and pre-deductible services.

# V-BID X

A. Mark Fendrick, MD

University of Michigan Center for Value-Based Insurance Design

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# V-BID Pre-Meeting Resources

- Introduction to Center for Value-Based Insurance Design: https://www.youtube.com/watch?v=BCKBxDHNKTA
- V-BID X resources: https://vbidcenter.org/initiatives/vbid-x/
- Reducing Low-Value Care to Improve Health Equity: https://www.youtube.com/watch?v=AbOhqF4IcfE
- How Value-Based Insurance Design Impacts Health Care Costs: https://vbidcenter.org/wp-content/uploads/2021/07/Financial-Impact-of-V-BID.pdf
- Increasing Access to High-Value Care Through Innovative Benefit Design: https://vbidcenter.org/wp-content/uploads/2020/01/Increasing-Access-Final-6.11.21.pdf
- Top Five Low-Value Services: https://vbidcenter.org/wp-content/uploads/2018/02/Top-5-Info-8.27.2019.pdf
- V-BID X: https://vbidcenter.org/wp-content/uploads/2019/03/V-BID-X-Infographic-030919.pdf

# Washington Health Benefit Exchange

## Cascade Care Workgroup

Standard Plan Design: Goals and Considerations

June 14, 2022

HEALTH MANAGEMENT ASSOCIATES

# Preliminary Standard Plan Options – State Highlights

- **Highlights from Interview States**
  - Current Cascade Care standard benefits are comparable to standard benefits in interview states (and Washington, DC)—prioritizing low copays and first dollar coverage for high-value benefits, managing deductibles, and MOOP.
  - CA is unique in that it standardizes all QHPs and sets plan and benefit standards through issuer contracts (10 states set standard plans).
  - All interviewees expressed concerns about managing premiums within standard plans and across the market if ARPA subsidies expire.
  - Data is critical for successful value-based benefit design.

# Preliminary Standard Plan Options that Advance Long-term Goals

- **Quality and Health Equity Improvement**
  - Continue to evolve and strengthen plan standards for value-based benefit design, population health, quality, and care management programs on the basis of population-level gaps/opportunities in quality outcomes identified in required plan reporting and identified disparities.
  - Align standards with other purchasers/payers to ensure innovation is leveraged in the market.
  - Further incorporate Value Based Insurance Design (VBID) principles to advance quality and equity goals in standard plans.
- **Market Health and Competition**
  - Consider the impact of eliminating non-standard plans or creating more stringent meaningful difference standards for non-standard plans on reducing market confusion; driving enrollment in standard plans/public option plans; and accelerating the quality, equity, and cost containment strategies for standard plans/public option plans.
  - Consider development of HSA-eligible high deductible standard plan that adhere to VBID approach to meet consumer demand, ensure HD plans are available if non-standard plans restricted.
- **Foundational Principle for Mid- and Long-term: Preserving Premium Affordability**

# Preliminary Standard Plan Options – Mid-term Options

- **Options for Mid-Term Standard Benefits: Condition- and Service-specific Changes**
  - As a pilot to address quality and equity goals, consider certain condition-specific and/or service-specific (e.g., primary care visits) benefits to lay a foundation for reducing inequities and encouraging high-value utilization.
  - Potentially align to conditions of focus for other large purchasers in Washington state. For example, many public and commercial purchasers are focused on diabetes and behavioral health.
  - Given current enrollment in standard plans and the potential impact of ARPA subsidies expiring, consider impact of potential changes on premiums and avoid changes that have potential to significantly increase premiums.

# Preliminary Standard Plan Options – SBE Examples (1 of 2)

- **Diabetes Benefits**
  - Several states have considered or are requiring $0 copays for diabetes-related benefits or placing services/drugs before deductible. Washington plans to expand cost-sharing requirements to four more chronic conditions that disproportionately impact racial and ethnic minorities.
  - Washington DC diabetes benefit design (for all standard plans):
    - $0 copay for PCP visits; dilated retinal exam (1x per year); diabetic foot exam (1x per year); and nutritional counseling visits (unlimited) for members with a primary diagnosis of Type 2 diabetes.
    - $0 copay for lipid panel test (1x per year); hemoglobin A1C (2x per year); microalbumin urine test or nephrology visit (1x per year); basic metabolic panel (1x per year); liver function test (1x per year) for members with a primary diagnosis of Type 2 diabetes.
    - $0 copay for carrier defined list of diabetes supplies and medications within the diabetic agents drug class, as defined by the carrier, and preferred brand insulin.

# Preliminary Standard Plan Options – SBE Examples (2 of 2)

- **Primary Care Visits**
  - Several states have considered or are requiring reduced copays or no out-of-pocket costs for primary care visits.
  - California primary care and urgent care plan design (for all standard plans):
    - $0 copay for first three non-preventive primary care and urgent care visits for all plans.
    - Then subject to deductible in bronze plans.
    - Copays range from $5-$40 in other plans and metal levels.
- **Gender-affirming care services**
  - Colorado requested a modification to its EHB to include comprehensive gender-affirming care services (CMS approved).
  - Services were previously required in CO, but EHB modification clarified the scope of the required benefits.
  - EHB approach allows for a broader impact (includes non-standard plans).

# Preliminary Standard Plan Options – FFM Approach (1 of 2)

- **FFM is advancing standard plan designs for 2023**
  - Proposed for all carriers in service areas in which they offer a non-standard plan (not limiting the number of non-standard plans).
  - Initial focus is to reduce effect of choice overload; but also applying some VBID principles to benefit design to advance quality and equity goals.
  - VBID X model is informing their approach—will likely adopt more value-based benefits in future years.
  - Benefit design (in most states) places high value services and generic drugs before deductible in metal levels except standard bronze.

# Preliminary Standard Plan Options – FFM Approach (2 of 2)

- **FFM is advancing standard plan designs for 2023**
  - Proposed standardize benefits include the following copays before deductible for high value services (deductible applies for bronze plans).

| | Bronze | Expanded Bronze | Standard Silver | Gold | Platinum |
|---|---|---|---|---|---|
| **Primary Care Visit** | No charge after deductible | $50 | $40 | $30 | $10 |
| **Urgent Care** | No charge after deductible | $75 | $60 | $45 | $15 |
| **Specialist Visit** | No charge after deductible | $100 | $80 | $60 | $20 |
| **Mental Health and Substance Use Disorder Outpatient Office Visit** | No charge after deductible | $50 | $40 | $30 | $10 |
| **Speech Therapy** | No charge after deductible | $50 | $40 | $30 | $10 |
| **Occupational, Physical Therapy** | No charge after deductible | $50 | $40 | $30 | $10 |
| **Generic Drugs** | No charge after deductible | $25 | $20 | $15 | $5 |

# Preliminary Standard Plan Options – Medicare Advantage Approach

- **Medicare Advantage has implemented a VBID model since 2017**
  - The model was tested by 11 MA plans between 2017-2019.
  - VBID interventions were varied in design.
    - Intervention targeted a range of conditions including diabetes, COPD, hypertension, CHF, and CAD.
    - 7 interventions required participation in care management program to receive benefit.
    - Benefits included rebates for cost-sharing payments, reduced or waived cost-sharing for prescriptions and visits, and free monitoring equipment.
  - Evaluation of 2017-2019 data showed significant improvement in utilization of some targeted high-value services and prescriptions.
  - Evaluation did not show improvement in health outcomes or member experience, but this could be due to timeframe.

# Preliminary Standard Plan Options – Other Approaches

- **VBID principles have been applied in a variety of ways in commercial plans**
  - Current trends include eliminating cost-sharing for insulin and opioid use disorder treatment.
  - As with the MA interventions, VBID approaches in commercial market are often tied to care management or population health programs (e.g., participation requirements or screening requirements to receive benefits).
- **Louisiana BCBS example**
  - BCBSLA implemented a $0 copay program that reduced total medical spending by 18% for enrolled members.
  - Members enrolled if diagnosed with asthma, COPD, CHF, diabetes, prediabetes, end-stage renal disease, and chronic kidney disease.
  - Received care management support. If participating in program, members received $0 copay benefit for a range of high-volume, low-cost prescriptions identified as high value for the targeted conditions.

# Preliminary Standard Plan Options – Discussion Questions

1. Will condition-specific or service-specific benefits be more impactful for removing financial barriers that contribute to disparities and poor outcomes?
2. Which targeted conditions or services would have high-impact, low-cost benefits?
3. Can VBID benefits be tied to existing care management programs to ensure wholistic support of chronic disease management?
4. What implementation concerns would we anticipate?
5. Does the workgroup have feedback on data and research needed to ensure focus is highest impact?

# Standard Plan Design: 2024 Options

Christine Gibert (she/her), Policy Director

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# Standard Plan Development

## 2024 Options

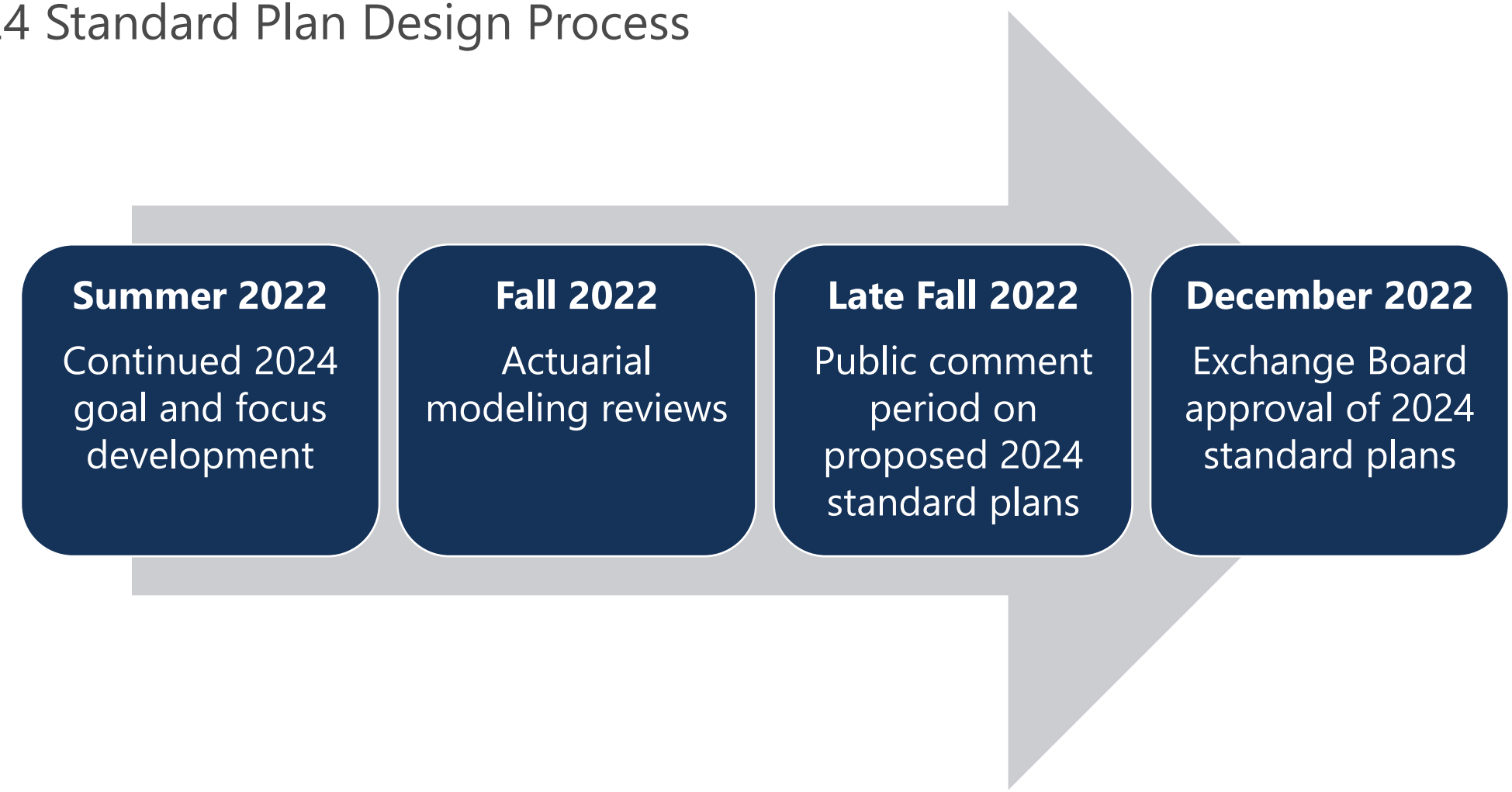
2024 Plan Design: Preserving Premium Affordability, Creating More Access, and Laying Foundations for Value-based Benefits.

- Options to consider:
  - Standard design for virtual benefits.
  - Pre-deductible services, e.g., three services free before deductible models.

**Workgroup Discussion:** What is your experience with these benefit design approaches and what would you like to see more of at July workgroup meeting?

# Standard Plan Design Next Steps

2024 Standard Plan Design Process



# Cascade Care Next Steps

## Summary and Look Forward

- Standard Plan Design
  - Continued work with Cascade Care Workgroup the remainder of 2022 to develop 2024 standard plans.
- Cascade Select Procurement
  - ASB announcement expected June 2022.
- Cascade Care Savings
  - On track for successful launch Nov. 1, 2022, with state premium assistance available PY 2023.
- Cascade Care Mid-Range Vision Development
  - Cascade Care Workgroup is the primary stakeholder forum for sharing learnings and direction.

We want your feedback: Please contact Laura Kate should you wish to provide feedback at any point about Cascade Care direction or components.

## Next Cascade Care Workgroup meeting: July 12

# Adjourn

# Appendix

# Cascade Care Workgroup Members

- Emily Brice, Northwest Health Law Advocates
- Patrick Connor, National Federation of Independent Business
- Erin Dziedzic, Dziedzic Public Affairs
- Kristen Federici, Molina
- Sean Graham, Washington State Medical Association
- Sam Hatzenbeler, Economic Opportunity Institute
- Rhonda Hauff, Yakima Neighborhood Health Services
- Sybill Hyppolite, Washington State Labor Council
- Jill McMahon, Kaiser Permanente
- Daphne Pie, Public Health-Seattle & King County
- Ashlen Strong, Washington State Hospital Association
- Sheela Tallman, United Healthcare

# Washington Health Benefit Exchange

## Cascade Care Workgroup

Standard Plan Direction

May 10, 2022 Cascade Care Workgroup Discussion

# Preliminary Standard Plan Options – State Highlights

- **Highlights from Interview States**
  - Current Cascade Care standard benefits are comparable to standard benefits in interview states (and Washington, DC)—prioritizing low copays and first dollar coverage for high-value benefits, managing deductibles, and MOOP.
  - CA is unique in that it standardizes all QHPs and sets and negotiates plan and benefit standards through issuer contracts.
  - All interviewees expressed concerns about managing premiums within standard plans and across the market if ARPA subsidies expire.

# Preliminary Standard Plan Options – Long-term Options (1 of 3)

- **Long-term Options for Standard Benefits: Quality Improvement**
  - Continue to evolve and strengthen plan standards for value-based benefit design, population health, quality, and care management programs on the basis of population-level gaps/opportunities in quality outcomes identified in required plan reporting.
  - Require plans develop specific population health, quality, and care management programs and capabilities in alignment with other purchasers/payers to ensure that innovation is leveraged in the market.
  - Incorporate Value Based Insurance Design (VBID) principles to advance quality and value goals in standard plans.
    - VBID encourages utilization of high value services (typically lower cost services that prevent disease progression) through reductions in out-of-pocket costs.
    - Lower value services would need to be identified for higher out of pocket costs in order to discourage low value clinical utilization and maintain AV.
    - Medicare Advantage V-BID 2.0 framework could serve as a model.
  - Exchange might identify high- and low-value services and design benefits to encourage healthy behavior. For example, no copay primary care visits and/or behavioral health appointments (virtual and in person).

# Preliminary Standard Plan Options – Long-term Options (2 of 3)

- **Long-term Options for Standard Benefits: Health Equity Improvement**
  - Continue to evolve and strengthen plan standards for value-based benefit design, population health, quality, and care management programs on the basis of gaps/opportunities in quality outcomes impacting vulnerable subpopulations identified in required plan reporting and annual plans.
  - Exchange might identify health disparities and address disparities in benefit design. For example, no-copay visits for diabetes care and management.
  - Incorporate Value Based Insurance Design (VBID) principles to advance equity goals in standard plans.
    - Could reduce or eliminate cost sharing for services that drive inequities in health outcomes identified in reporting.
    - Lower value services would need to be identified for higher out of pocket costs in order to discourage low value clinical utilization and maintain AV.

# Preliminary Standard Plan Options – Long-term Options (3 of 3)

- **Long-term Options for Standard Benefits: Market Health and Competition***
  - Consider the impact of eliminating non-standard plans or creating more stringent meaningful difference standards for non-standard plans on reducing market confusion; driving enrollment in standard plans/public option plans; and accelerating the quality, equity, and cost containment strategies for standard plans/public option plans.
  - Consider development of HSA-eligible high deductible standard plan that adhere to VBID approach to meet consumer demand, ensure HD plans are available if non-standard plans restricted.

**Requires more study, as directed by the Legislature.*

# Preliminary Standard Plan Options – Long-term Options

- **Workgroup Discussion**
  - Do these long-term options resonate?
  - Where might there be opportunities for innovation within these proposed standard plan options?
  - Are there other standard plan design levers to consider to advance quality and equity goals?
  - What concerns and considerations do these long-term options introduce?

# Preliminary Standard Plan Options – 2024 Options

- **Options for 2024 Standard Benefits: Condition- and Service-specific Changes**
  - As a pilot to address quality and equity goals, consider certain condition-specific and/or service-specific (e.g., primary care visits) benefits to lay a foundation for reducing inequities and encouraging high-value utilization.
  - Potentially align to conditions of focus for other large purchasers in Washington state. For example, many public and commercial purchasers are focused on diabetes and behavioral health.
  - Example: Washington, DC requires $0 coverage for PCP visits, certain specialist visits, certain labs, insulin and supplies, and antidiabetic drugs for members with a primary diagnosis of type II diabetes.
  - Benefit changes would need to be reviewed for rating and clinical impact.
- **Foundational Principle for 2024 Standard Benefits: Preserving Premium Affordability**
  - Given current enrollment in standard plans and the potential impact of ARPA subsidies expiring, consider impact of potential changes on premiums and avoiding changes that have potential to significantly increase premiums.
  - Historically, AV of benefits under AV calculator increase when underlying costs increase at a disproportionate rate (e.g., pharmacy costs).

# Preliminary Standard Plan Options – 2024 Options

- **Workgroup Discussion**
  - Is there a specific area of focus where we should start in 2024?
  - Does the workgroup have feedback on data and research needed to ensure focus is highest impact?
  - What high clinical impact and low AV impact opportunities could we consider to advance quality and/or equity in standard plan design?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