Cascade Care Workgroup

July 12, 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	Cascade Select Procurement (15 min.)	Mandy Weeks-Green, HCA Coverage and Market Strategies Manager, & Laura Kate Zaichkin
1:20	Cascade Care 2-5 Year Direction (20 min.)	Laura Kate Zaichkin, & Health Management Associates Team
1:40	2024 Standard Plan Design Options (45 min.)	Christine Gibert, HBE Policy Director, & Acumen LLC Consulting Team
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.

Cascade Select Procurement & Impact Analysis

Mandy Weeks-Green, Health Care Authority Coverage & Market Strategies Manager (she/her)

Laura Kate Zaichkin, Health Benefit Exchange Senior Policy Advisor (she/her)

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Cascade Select (Public Option) Procurement

For plan year 2023

Washington State Health Care Authority

HCA identifies ASBs for proposed 2023 Cascade Select public option plans

- This year's procurement was a competitive selection process with priorities of quality, service areas, and proposed premiums, with an emphasis on affordability for Cascade Select customers.
- The ASBs' proposed plans may provide the most affordable coverage options in nearly every Washington county. The Cascade Select ASBs are:
  - Community Health Plan of Washington
  - Coordinated Care Corporation
  - LifeWise Health Plan of Washington

Benefits of this competitive selection

- Public option plans will be available in 34 counties, up from 25 in 2022.
- 98% of current Exchange customers would have access to a public option plan.
- Public option rates will be the lowest-premium silver plans in 25 counties, up from 13.

Additional Procurement Timelines

High Level Snapshot of Milestones	Date
OIC approval of plans and HBE board certification	September 2022
HCA contracts executed	September 2022
Exchange open enrollment	November 1, 2022
Coverage begins	January 1, 2023

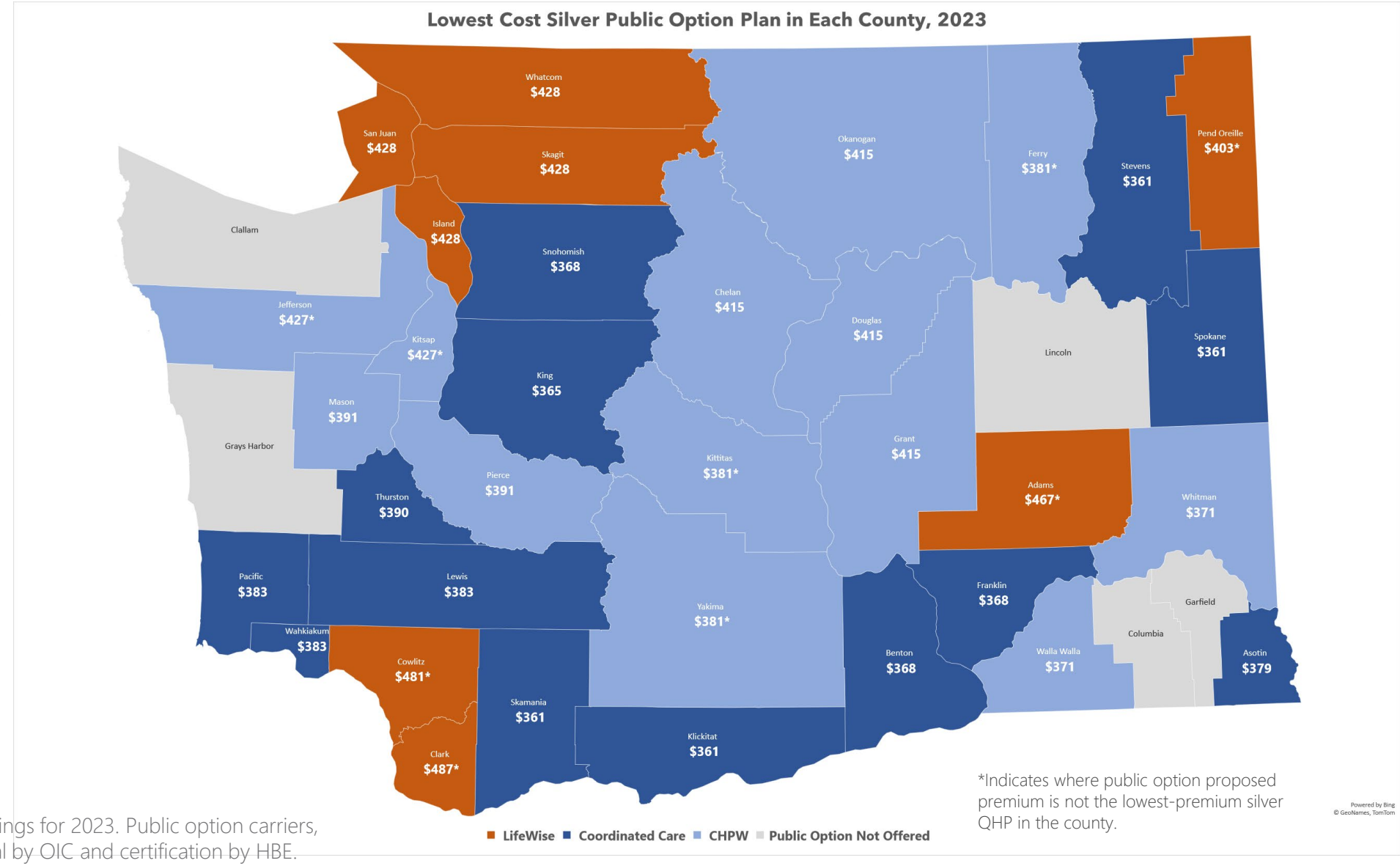
Cascade Select

You can find more information by:

- Visiting the HBE website at https://www.wahbexchange.org/about-the-exchange/what-is-the-exchange/cascade-care/
- Visiting the HCA website at www.hca.wa.gov/about-hca/cascade-care.
- Subscribing to receive Cascade Select updates from Washington Healthplanfinder at HCA's Cascade Select on the pages above.

Public Option is Proposed Lowest Premium Silver Plan in Most Counties

- Public option is lowest-cost silver QHP in 25 counties, as proposed.
- Cascade Care plans (standard and public option) are lowest-cost silver plans in 28 counties, as proposed.
- Silver public option rates range from $361-$487.
- Proposed public option rates more competitive than previous years, but still not offering meaningfully lower premiums.



HBE analysis based on public carrier initial filings for 2023. Public option carriers, plans, rates and availability pending approval by OIC and certification by HBE.

Rates are for a 40-year-old non-smoker; 2023 rates are proposed rates

For additional questions, please contact

Mandy Weeks-Green, Coverage and Market Strategies Manager

Mandy.Weeks-Green@hca.wa.gov

Washington State Health Care Authority

Cascade Care 2-5 Year Strategic Direction

Laura Kate Zaichkin, Senior Policy Advisor (she/her)
Health Management Associates Team

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Developing a Cascade Care Mid-Range Vision

Through a process informed by research and collaborative input, the Exchange is developing a 2- to 5-year vision for its primary affordability strategy, Cascade Care, and exploring continued opportunities to advance affordability, access, quality and equity.

Market Health Challenges and Opportunities

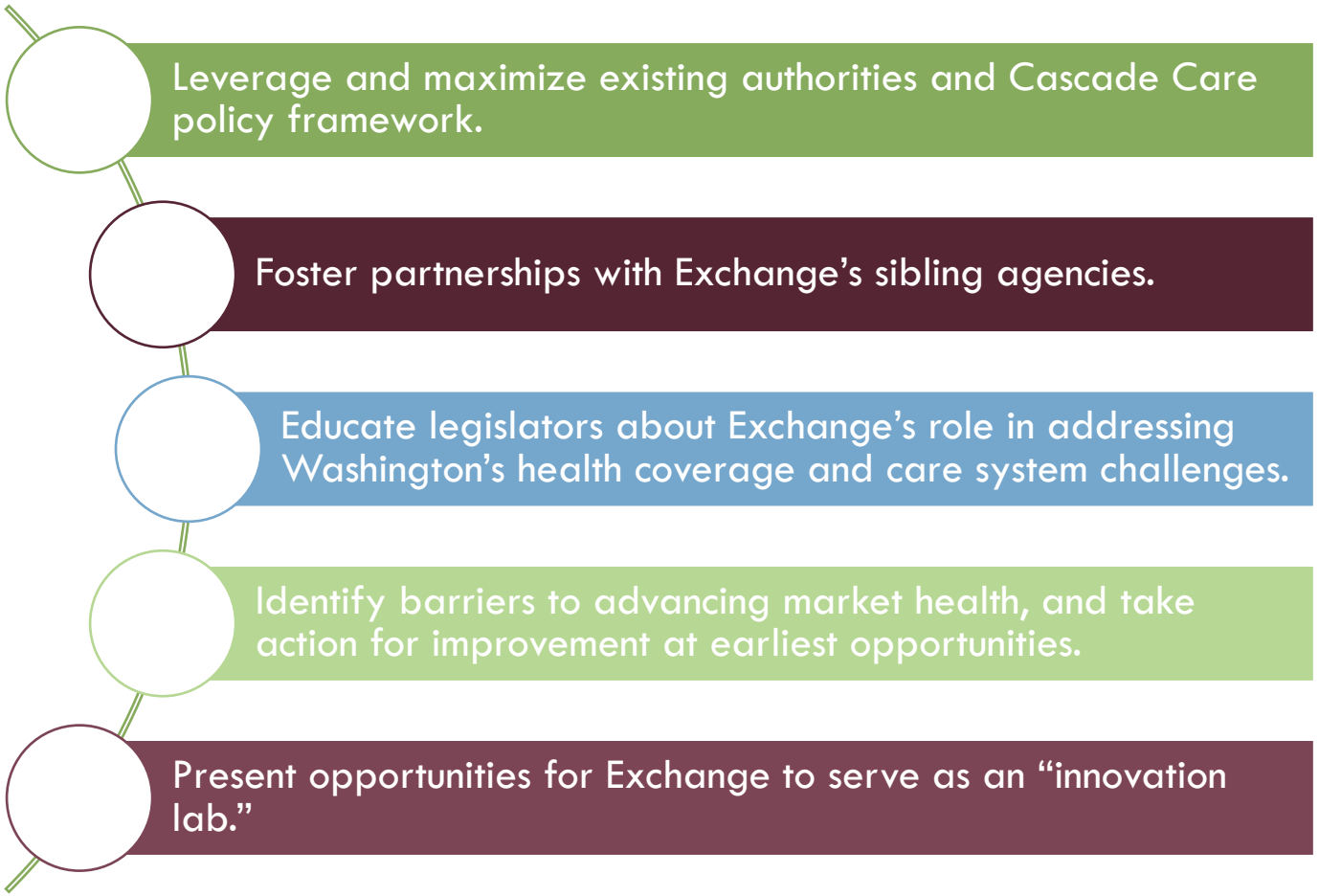
Washington has made progress in improving the health of the individual market as measured by the uninsured rate, affordability of coverage, and access to care. However, affordability as measured by high premiums and high cost-sharing remain the primary barriers to more Washingtonians being insured and getting access to care.

- Deeper **subsidization** is not a sustainable primary strategy for improving affordability; this will become even more true when Medicaid redeterminations resume at the end of the Public Health Emergency (PHE), especially if ARPA subsidies are not extended.
- **Underlying costs of care** must be addressed to protect Exchange enrollees from reduction in subsidies.
- Washington's **uninsured rate** has remained relatively stable since reaching its post-ACA implementation historic low. The uninsured rate is higher than benchmark states and will rise when ARPA subsidies end.
- Washingtonians, including Cascade Care consumers, continue to face **disparities in quality of care and inequitable access to care**. These issues are not being substantively addressed in the individual market other than in Cascade Select quality expectations.
- Exchange customers continue to face **"choice overload"** due to the number of plans offered without meaningful differences.

Opportunity

- High-value plans, including the public option plan (Cascade Select), present Washington's best opportunity to achieve HBE's goal: *All eligible Washingtonians should have access to an affordable, high-quality health plan in the individual market.*

Key Principles to Guide the Cascade Care 2-5 Year Strategy



A Layered Approach to Improve Access, Affordability, Quality and Equity

2024 Standard Plan Design Options

Christine Gibert, Policy Director (she/her)
Acumen LLC Consulting Team

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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.

Spring Workgroup Discussions:

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

2024 Plan Design Setting the Path for Value-based Benefit Design.

- Considerations for 2024 standard plans: applying access models such as virtual care and pre-deductible services.
- Keeping in mind direction to move toward value-based benefit design that advances affordability, value, quality and equity.

Need Cascade Care Workgroup feedback on opportunities, concerns, experiences with virtual care benefit design and pre-deductible services.

- Acumen will present draft standard plan options for reaction and feedback at August Cascade Care Workgroup meeting.

Washington Health Benefit Exchange

Cascade Care Workgroup

Standard Plan Design: Concepts for Incorporating Virtual Care and Expanding Coverage of Pre-deductible Services

Acumen, LLC

July 12, 2022

Developing 2024 Designs to Include Virtual Care and Expand Coverage of Pre-deductible Services

- Current WA Standard Plans do not explicitly address virtual care or offer non-preventive services at no cost prior to deductible
- Goals for incorporating these elements into 2024 plan designs
  - Reduce barriers to accessing high-value services: encouraging the right care, at the right time, in the right setting
  - Mitigate premium impacts

Outline

- Virtual Care
- Expanding Coverage of Pre-deductible Services
- Discussion Questions
- Next Steps

Defining Virtual Care for Standard Plan Development

- Current discussion focuses on development of standard plan designs related to telemedicine
  - Defined as the "delivery of health care services through the use of interactive audio and video technology, permitting real-time communication between the patient at the originating site and the provider, for the purpose of diagnosis, consultation, or treatment"
  - Includes audio-only telemedicine in certain cases
  - Does not include all telehealth (e.g., remote monitoring), but likely includes the majority of spending on telehealth

Virtual Care in the WA Individual Market

- Approaches include varying combinations of cost-sharing, provider/network requirements, and service limitations:
  - Cost-sharing consistent with in-person care
  - Reduced cost-sharing for virtual care (more common)
  - Reduced cost-sharing for virtual care from dedicated telehealth network providers
  - Reduced cost-sharing for virtual care for specific services (e.g., COVID, primary care)
- Approach to virtual care typically does not vary substantially by metal level

Additional Considerations

- Capacity to offer virtual care differs across providers and plans, and capacity to utilize it differs across enrollees
  - Both can contribute to disparities in access and barriers to care coordination
- High-deductible plans are required to apply cost-sharing to virtual care until the deductible is met
- Focused virtual care plans aim to deliver most care via telemedicine (typically at lower premium) and require referral for in-person visits
- No other state exchanges with standardized plans identify cost-sharing specifically for virtual care in standard plan designs

Virtual Care: Concepts for 2024

- Ensure that a core set of high-value services are available in a virtual setting at the same cost share
  - Test inclusion of primary care, outpatient behavioral health, and urgent care
  - Consider requirement that virtual primary care must be delivered by customer's primary care team, as opposed to siloed carrier telehealth service
- Test impact of reduced cost-sharing for virtual visits for high-value services and other telehealth appropriate services (e.g., specialists)
  - In-person options must be available at the same cost share for those who can or will not access virtual services
- Explore variation across metal levels to aid development of draft options that highlight tradeoffs
- Premium impacts may vary over time as trends in utilization of virtual care stabilize

No-Cost Pre-Deductible Services in the WA Individual Market

- Included service types:
  - Primary care (most common)
  - Mental/behavioral health, including SUD treatment
  - Specialist visits for enrollees with specific diagnoses (e.g., heart failure, diabetes)

- Number of services
  - Typically 1-3 visits are covered with no enrollee cost-sharing
  - Relatively little variation within an issuer's plans (e.g., by metal level)

No-Cost Pre-Deductible Coverage in Other Standardized Plans

- Based on 2023 standardized designs:
  - CO offers unlimited no-cost pre-deductible coverage for primary care, mental/behavioral health (including SUD), and pre/post natal care in gold/silver; three visits at no cost in bronze
  - ME offers no-cost pre-deductible coverage for one primary care and one behavioral health visit in all metal levels
  - Remaining seven states do not currently offer no-cost pre-deductible coverage for specific number of visits/service types
  - CA and DC offer no-cost pre-deductible coverage for diabetes self-management in almost all standard plans; DC developing no-cost pre-deductible coverage for other conditions

Expanding Pre-Deductible Coverage: Concepts for 2024

- Test inclusion of 1-4 low- or no-cost pre-deductible visits for certain types of high-value care (e.g., primary care, outpatient behavioral health, urgent care, physical therapy)
  - Allow flexibility across types of high-value services
  - Premium impact likely to be smaller when low- or no-cost pre-deductible services are limited to a set number of specific services
  - Allowing variation in copay and number of visits by metal level will further mitigate premium impacts

- In preliminary analysis, AV impacts are larger in bronze plans; marginal impact of additional visits declines quickly

Discussion: Experience with these Approaches in WA and Elsewhere

- How are key building blocks of these approaches (e.g., virtual care, high-value care, low cost-sharing) defined?
- How do these approaches impact clinical policy and care delivery?
- Are there operational barriers to implementation, and if so, what are successful strategies for overcoming them?
- Are there other challenges and/or unintended impacts to consider?

Discussion: Aligning Concepts with Goals for 2024 Plan Design

- How do these concepts promote equitable access to and appropriate use of high-value care?
- Both virtual care and pre-deductible coverage are generally expected to promote efficient care while expanding coverage. What are the key factors to model/account for in understanding the net premium impact?
- What other/unintended impacts should be considered?

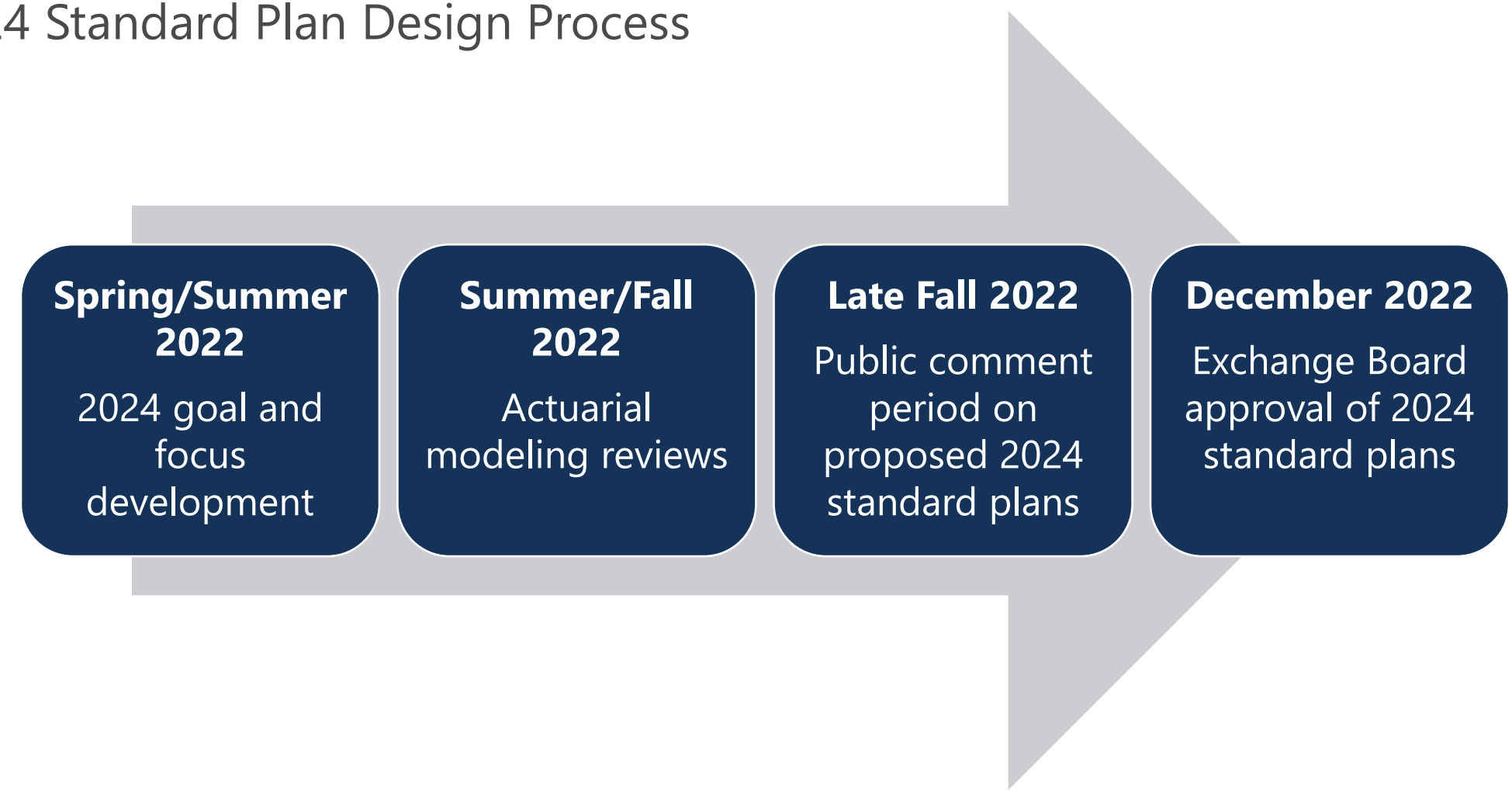
Next Steps

- Gather stakeholder feedback
- Additional research on existing and alternative plan designs
- Present plan design options at August Cascade Care Workgroup meeting

Thank You

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
  - HCA contract execution with PY 2023 public option carriers expected September 2022.
- Cascade Care Savings
  - On track for successful launch Nov. 1, 2022, with state premium assistance available PY 2023.
  - Webinar noon July 20. Learn more and register here: https://www.wahbexchange.org/event/cascade-care-savings-webinar-072022/
- 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: August 9

Adjourn

Appendix

- HBE analysis of proposed public option rates & availability
- June HBE Board Retreat Cascade Care direction materials
- June Cascade Care Workgroup standard plan design materials

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

Exchange Analysis of Proposed Public Option Rates & Availability

July 2022

Analysis based on public initial filings for plan year 2023. Plan year 2023 carriers, plans, rates, and availability pending approval by OIC and certification by HBE.

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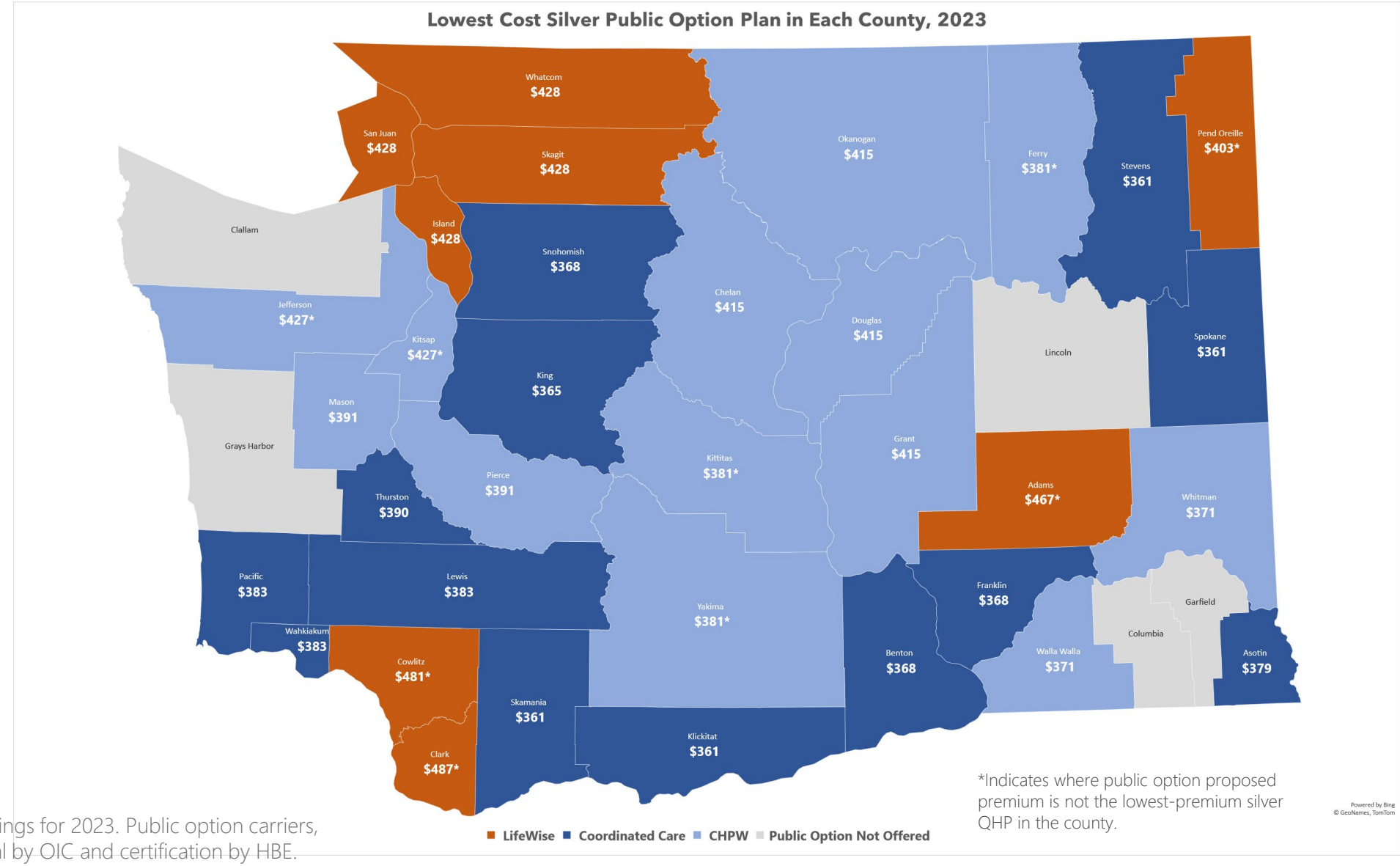
HBE Analysis of Proposed Public Option Rates & Availability

- HCA identified three carriers as apparently successful bidders for plan year 2023.
- This competitive selection advances county coverage, affordability improvements, and market competition gains.*
  - Public option available in 34 counties, up from 25 in 2022.
  - 98 percent of current Exchange customers would have access to a public option plan.
  - Public option rates will be lowest-premium silver plans in 25 counties, up from 13 in 2022.
  - The public option silver plan premium in one county would meet the meaningfully lower premium goal.
  - Public option carrier competition will be significantly enhanced.
  - Public option provider participation requirements will be more meaningful.
  - Differentiation of public option much clearer, with pathway to lower premiums and statewide availability.

*Analysis based on public carrier initial filings for 2023. Public option carriers, plans, rates and availability pending approval by OIC and certification by HBE.

Public Option is Lowest Premium Silver Plan in Most Counties

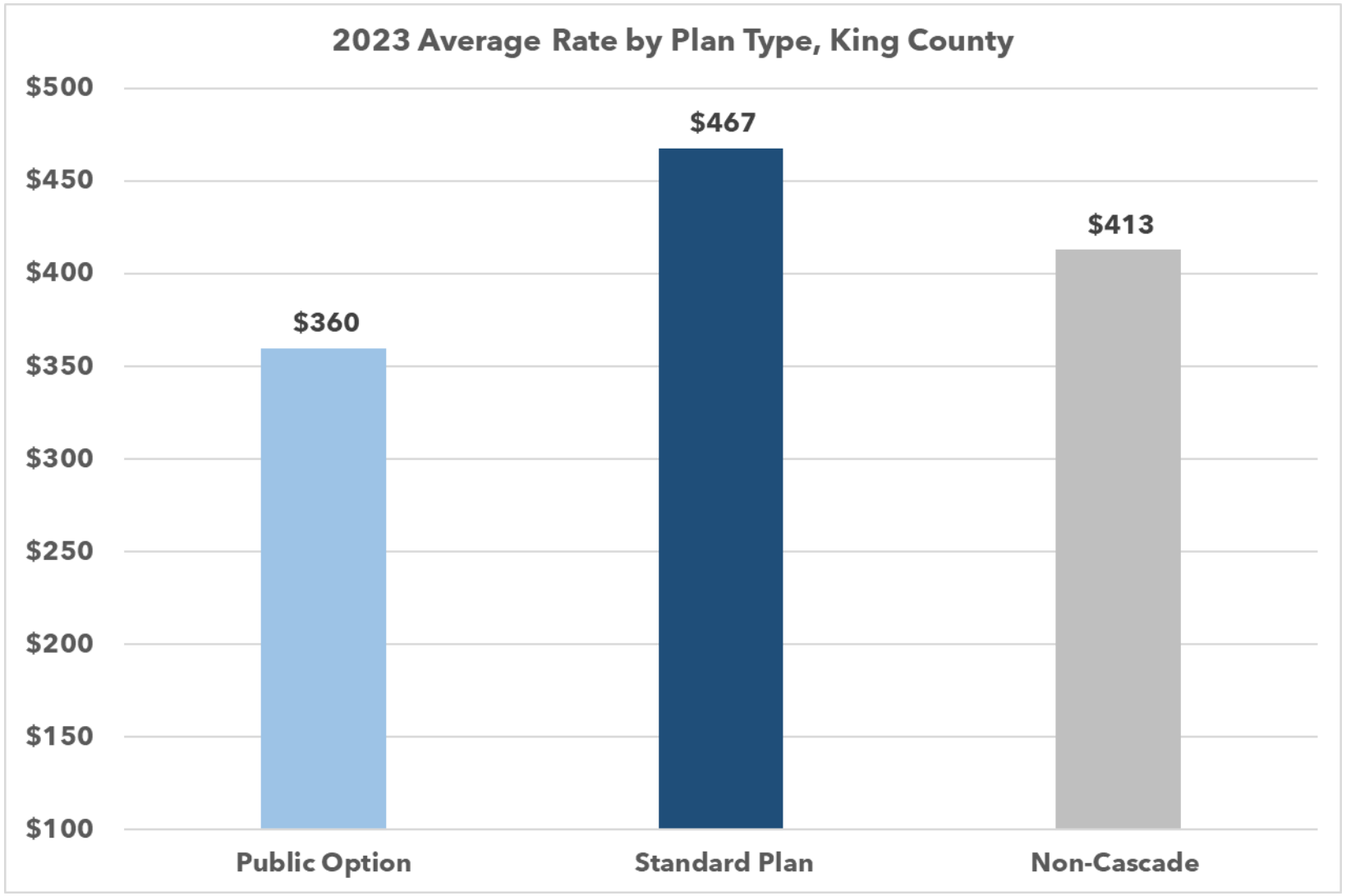
- Public option is lowest-cost silver QHP in 25 counties, as proposed.
- Cascade Care plans (standard and public option) are lowest-cost silver plans in 28 counties, as proposed.
- Silver public option rates range from $361-$487.
- Proposed public option rates more competitive than previous years, but still not offering meaningfully lower premiums.



HBE analysis based on public carrier initial filings for 2023. Public option carriers, plans, rates and availability pending approval by OIC and certification by HBE.

Rates are for a 40-year-old non-smoker; 2023 rates are proposed rates

With Selective Procurement, Public Option Plans Have the Lowest Rates, On Average



Rates are for a 40-year-old non-smoker; 2023 rates are proposed rates

Proposed Public Option Rates More Competitive Than Previous Years

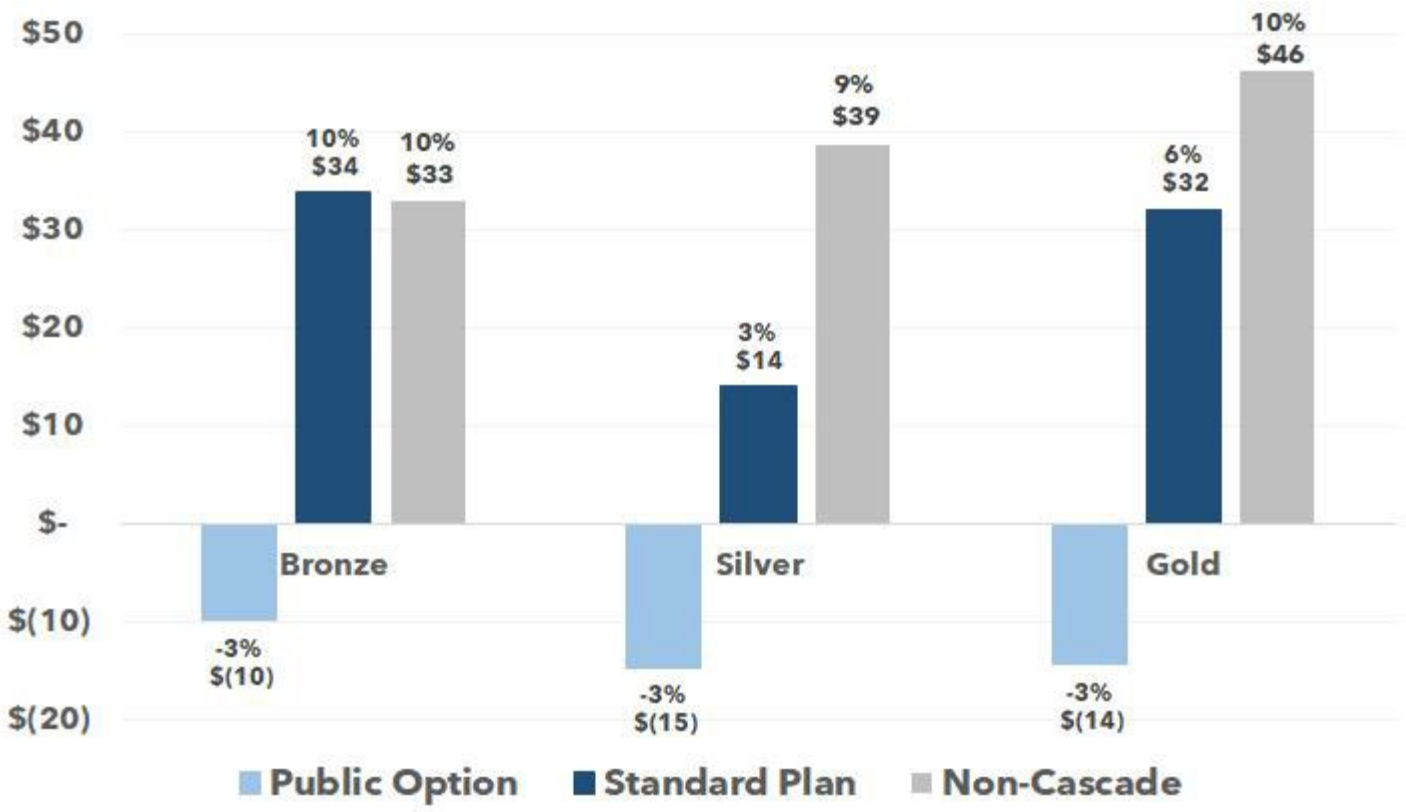
- Public option plans are projected to be the lowest-cost plan in more counties than in 2022, but still not offering meaningful premium reduction.
- Public option are lowest-cost plans largely because non-Cascade plans became more expensive.

Public Option Lowest Cost	2022	2023
Bronze	14 counties	27 counties
Silver	13 counties	25 counties
Gold	8 counties	1 county

Analysis based on public carrier initial filings for 2023. Public option carriers, plans, rates and availability pending approval by OIC and certification by HBE.

Public Option Plans have Lower Rate Increases in 2023 Compared to Non-Cascade Plans

Average rate increases by metal level, plan type; compared to 2022 rates



- Proposed Cascade Care rates continue to fall short on goal of meaningful premium reduction in a market where consumers are facing sizeable rate increases.
- Selective procurement resulted in average public option plan rate decreases, as proposed.

Rates are for a 40-year-old non-smoker, inclusive of all counties; 2023 rates are proposed rates. Plan rates and availability pending OIC approval and HBE certification.

Snapshot of Selected Public Option Initial Filings

Apparently Successful Public Option Carrier	Advancement Toward Affordability Goals	Advancement Toward Statewide Availability Goals
Coordinated Care	• Public option plan is lowest-cost silver plan in 13 counties. • Average silver public option rates are 6% lower than average lowest-cost silver QHP rates.	• Proposing public option plans in 14 counties. • Only proposed public option plan in one county.
Community Health Plan of Washington	• Public option plan is lowest-cost silver plan in eight counties. • Average silver public option rates are the same as the average lowest-cost silver QHP rates.	• Proposing public option plans in 20 counties. • Only proposed public option plan in three counties.
Lifewise	• Public option plan is lowest-cost silver plan in four counties. • Public option plan in one county meets meaningfully lower premium goal. • Average silver public option rates are 14% higher than average lowest-cost silver QHP rates.	• Proposing public option plans in 15 counties. • Only proposed public option plan in five counties.

- With selective procurement, public option plans are available in 11 new counties in PY 2023: Clark, Cowlitz, Ferry, Island, Pacific, Pend Oreille, San Juan, Skagit, Skamania, Wahkiakum, Whatcom.
- Public option plans are no longer available in Clallam and Lincoln Counties in PY 2023.

Analysis based on public carrier initial filings for 2023. Public option carriers, plans, rates and availability pending approval by OIC and certification by HBE.

Strategic Direction of Cascade Care

June 30, 2022

Presentation to Washington Health Benefit Exchange Board
Health Management Associates in Support of Washington Health Benefit Exchange

Exchange Board Retreat materials available at:
https://www.wahbexchange.org/event/exchange-board-retreat-063022/

Today's Objectives

- **Goal:** Have a focused discussion about the **strategic direction for Cascade Care** and what can be done to strengthen the program's impact on:
  - Reducing the total cost of coverage and care (premiums and out-of-pocket).
  - Reducing the uninsured rate/minimizing the loss in enrollment.
  - Improving the quality of care and increasing health equity by reducing disparities in access.
- This discussion is intended **to facilitate agreement from the Board** for Exchange staff to further explore and employ tactics to achieve the strategic direction.

Today's Agenda

Topic	Timing	Facilitator
Setting the Table	20 minutes	WAHBE HMA
The Long Game: Edge of the Envelope	40 minutes	HMA
The Mid-Term: Cascade Care as Affordability Catalyst Today	45 minutes	HMA
Wrap Up	10 minutes	HMA WAHBE

Setting the Table: What do we know about where we are today?

HEALTH MANAGEMENT ASSOCIATES

Market Health Challenges and Opportunities

Washington has made progress in improving the health of the individual market as measured by the uninsured rate, affordability of coverage, and access to care. However, affordability as measured by high premiums and high cost-sharing remain the primary barriers to more Washingtonians being insured and getting access to care.

- Deeper **subsidization** is not a sustainable primary strategy for improving affordability; this will become even more true when Medicaid redeterminations resume at the end of the Public Health Emergency (PHE), especially if ARPA subsidies are not extended.
- **Underlying costs of care** must be addressed to protect Exchange enrollees from reduction in subsidies.
- Washington's **uninsured rate** has remained relatively stable since reaching its post-ACA implementation historic low. The uninsured rate is higher than benchmark states and will rise when ARPA subsidies end.
- Washingtonians, including Cascade Care consumers, continue to face **disparities in quality of care and inequitable access to care.** These issues are not being substantively addressed in the individual market other than in Cascade Select quality expectations.
- Shoppers continue to face **"choice overload"** due to the number of plans offered without meaningful differences.

Focus Area 1: Cost of Coverage and Care (1 of 2)

Subsidies are important, but deeper subsidization is not sustainable as the primary means of reducing costs to consumers or achieving affordability on the individual market.

- ARPA will expire unless renewed and the prospects for renewal are uncertain.
- States can be more targeted in how they impact affordability with subsidies.
- States have had success reducing costs through state-funded subsidies.
  - Washington subsidies for Cascade Care enrollees are limited to $55+ million annually. In comparison, ARPA subsidies are $200 million.
  - Massachusetts has reduced premiums and out-of-pocket costs for low-income populations.
  - Maryland has targeted young adults to expand coverage and improve the risk mix.
- States have also had success lowering premiums through reinsurance as reinsurance has the benefit of impacting/stabilizing rates across the market.
  - Maryland reduced average rates by nearly 30% when they implemented their reinsurance program (1332 waiver).

Focus Area 1: Cost of Coverage and Care (2 of 2)

Underlying costs of care must be addressed.

- States have had less success impacting underlying costs of care in the individual market.
  - California has approached reduction of costs through active purchasing (negotiating with carriers to reduce rates).
  - States have implemented quality programs and value-based contracting requirements, but evidence of cost reductions is limited.
- States have started to look at public option plans as a means to reduce cost.
  - Colorado and Nevada have mandatory rate reduction targets for issuers.
  - Washington and Colorado have authority to cap provider rates and require provider participation.

Focus Area 2: Maintaining and Reducing the Uninsured Rate (1 of 1)

Washington's stable uninsured rate is higher than benchmark states, however, may rise when the pandemic policies that supported consumers to maintain coverage eventually come to an end.

- Continuous Medicaid coverage through the PHE, as well as ARPA subsidies, mitigated coverage losses during the pandemic.
  - California is planning to repurpose state funding to provide subsidies to replace ARPA subsidies.
  - Subsidies provided by Washington State are not equivalent to what is available through ARPA and mean a potentially significant affordability cliff for many currently enrolled in the Exchange and for those transitioning from Apple Health.
- Washington policies already in motion to further reduce the uninsured rate:
  - Cascade Care Savings program to provide enhanced state-based subsidies.
  - To support the more than 100,000 Washingtonians who are currently ineligible for any type of coverage due to their immigration status:
    - The 1332 waiver (awaiting CMS approval) will create the opportunity for more individuals to buy coverage (those currently excluded due to immigration status).
    - HCA has funding to begin planning and implementing the system to support coverage programs for immigrants currently excluded due to their immigration status.

Focus Area 3: Improving the Quality of Care and Increasing Equity (1 of 2)

Washingtonians continue to face disparities in quality of care and inequitable access to care.

- States are increasingly focused on quality and equity challenges in their markets.
  - California is requiring plans to meet a set of quality metrics agreed upon with Medicaid and CalPERS, with both upside and downside risk to the plans.
  - Maryland, Massachusetts, and other SBEs are increasing HEDIS reporting requirements to better understand quality issues.
  - Some SBEs are following state Medicaid managed care programs in requiring QHPs to provide health equity plans to provide transparency in how QHPs are reducing inequities and disparities in care.
- In Washington, Cascade and Cascade Select plans have started to incorporate quality and equity improvements. Washington can consider opportunities to drive further improvements. Current improvements in flight include:
  - Incorporating community standards into public option plans, including from Bree Collaborative and Health Technology Assessment.
  - Quality improvement programs and measures to be stratified by race and ethnicity for QHPs.

Focus Area 3: Improving the Quality of Care and Increasing Equity (2 of 2)

Exchange customers face choice overload due to the number of plans offered without meaningful differences.

- As Exchanges have matured, evidence has mounted that presenting consumers with many plan options that are not meaningfully different can create a significant barrier to making informed purchasing decisions—"choice overload."
  - CMS (and ASPE) identified this as a driving factor in establishing standard plans on the FFM.
  - Beginning in 2023, Washington's non-standard plans will be capped at 2 plans for bronze and gold metal levels, 1 plan for silver, platinum, and catastrophic.
- Excepting California, no state has eliminated non-standard plans. However, several states, including Washington, have taken steps to cap the number of plans at the metal level or cap the number of non-standard plans.
- Strategies to reduce plans that are not meaningfully different can also impact affordability and reduce/maintain rates of uninsured (e.g., creating less friction for new enrollments, more rational distribution of risk across products, etc.).

Goal to Advance Access, Affordability, Quality & Equity

Goal

- All eligible Washingtonians should have access to an affordable, high-quality health plan in the individual market.

2032 Vision

HEALTH MANAGEMENT ASSOCIATES

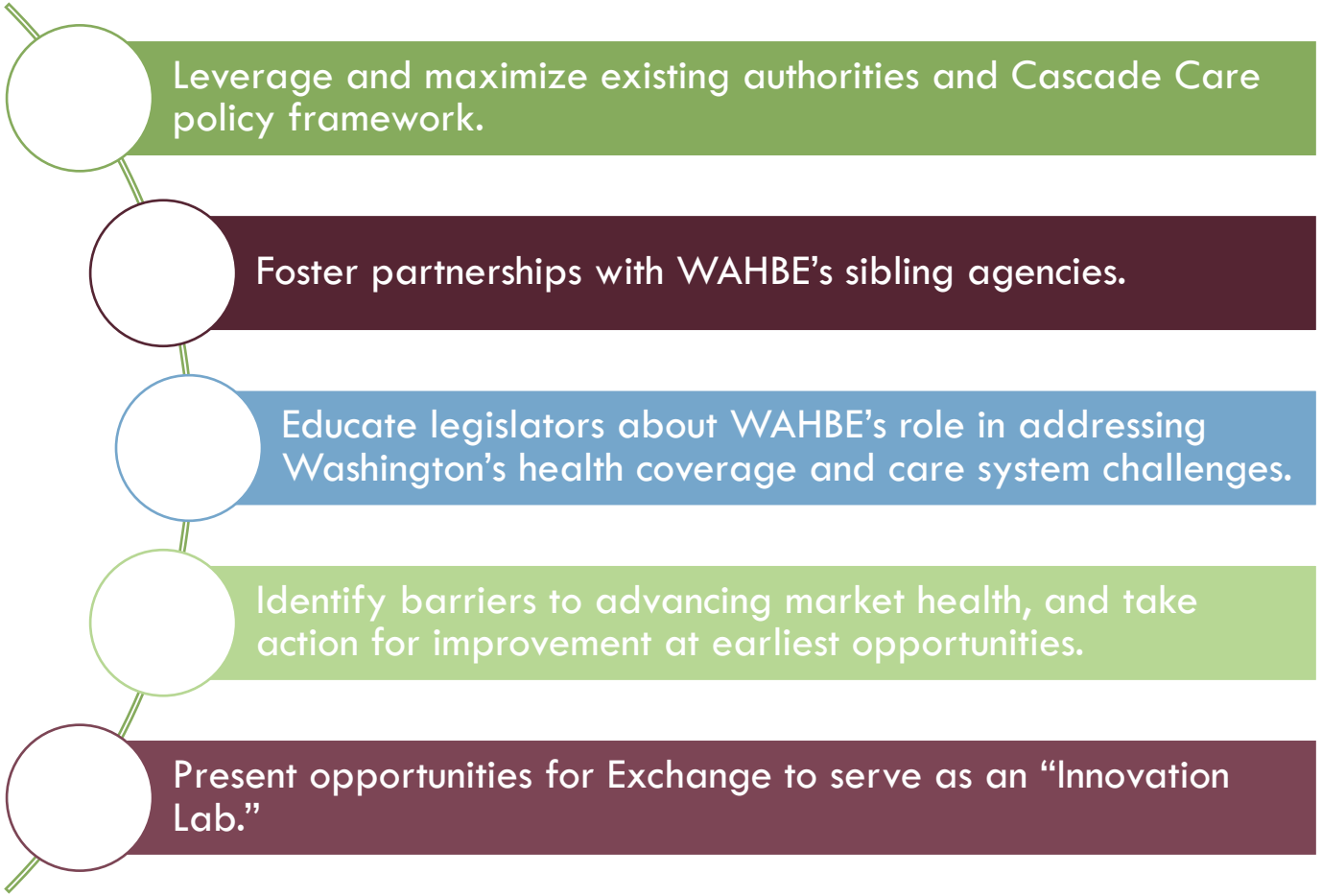
2-5 Year Strategic Direction

HEALTH MANAGEMENT ASSOCIATES

Opportunity

- High-value plans, including the public option plan (Cascade Select), present Washington's best opportunity to achieve HBE's goal: *All eligible Washingtonians should have access to an affordable, high-quality health plan in the individual market.*

Key Principles to Guide WAHBE's Strategy



A Layered Approach to Improve Access, Affordability, Quality and Equity

Focus Area 1: Cost of Coverage and Care

- States have used subsidies (e.g., Massachusetts) and reinsurance (e.g., Maryland) to reduce the cost of coverage. Washington can consider using subsidies as part of a mid-term strategy for cost reductions, however this may not be sufficient or sustainable.
- Several states are applying early-stage strategies to reduce underlying costs of care including active purchasing, public options with rate targets and provider reimbursement caps, and Value-Based Insurance Design (VBID).

Options for Discussion

To address underlying costs of care, WAHBE can:

- Work with HCA, OIC, and other stakeholders to optimize cost containment within Cascade Select plans.
- Align standards to ongoing State initiatives to identify an mitigate cost drivers.
- Cascade Care (Standard and Public Option) plan design could incorporate VBID principles to reduce low-value utilization.

Focus Area 2: Maintaining and Reducing the Uninsured Rate

- In addition to the 1332 waiver application and efforts to expand coverage for groups currently excluded due to immigration status, affordability efforts will be critical.
- Particularly with ARPA subsidies set to expire, states are looking to maintain coverage gains during the pandemic (e.g., California is planning to repurpose state funding to provide subsidies to replace ARPA subsidies).
- Exchange is considering marketing and shopping experience efforts to reduce friction for new consumers—particularly for individuals redetermined ineligible for Apple Health.

Options for Discussion

To mitigate the anticipated increase in the uninsured rate if ARPA expires, WAHBE can:

- Consider strategies that advance meaningful difference and/or further limit non-standard plans to reduce choice overload.
- Consider strategies to maintain and maximize Cascade Care Savings subsidies.

Focus Area 3: Improving the Quality of Care and Increasing Equity

- Washington has an interest in improving quality and equity using the Cascade Care plans as a laboratory for innovation.
- Participation standards, standard plan design, and public option procurement can be valuable tools to advance these efforts.
  - For example, CA, MA, MD, DC, CO, and other states have applied VBID principles to remove financial barriers to high-value care aligned with quality and equity goals.
  - CA uses its contract process to drive program improvement, quality initiatives, and equity planning in QHPs.
  - Many states are trying to align standards with quality and equity initiatives for Medicaid and other payers.

Options for Discussion

To address quality and equity goals, WAHBE can:

- Consider these strategies, leveraging existing Cascade Care authorities.

Discussion of 2-5 Year Options

Mid-term Actions for Consideration:

- Exchange should maximize its ability to increase Exchange participation requirements for carriers.
- Cascade Care (standard plans) should have higher requirements to ensure affordability, quality, value, equity.
- Exchange should move in a direction to require that plans offered are "meaningfully different" to minimize choice overload.
- Exchange and partners should maximize opportunities to address underlying costs through Cascade Select (public option), with contingency plans.

Standard Plan Design: Direction and 2024 Options

June 2022 Cascade Care Workgroup presentation

washington healthbenefitexchange
powering washington healthplanfinder

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: 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

WAHBE presentation available at: https://vbidcenter.org/whbe-2022/

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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?

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