

# Market Standards for Meaningful Customer Choice

**Issue:** Exchange customers are challenged by the current number and variation of plan offerings. To address this, the Exchange has partially standardized the market and explored with its partners opportunities to further require that plans are meaningfully different while maintaining core standards.

**Goals:** Create a more consistent shopping, coverage, and care experience for Exchange customers that sets the bar for quality, equity, access, and affordability.

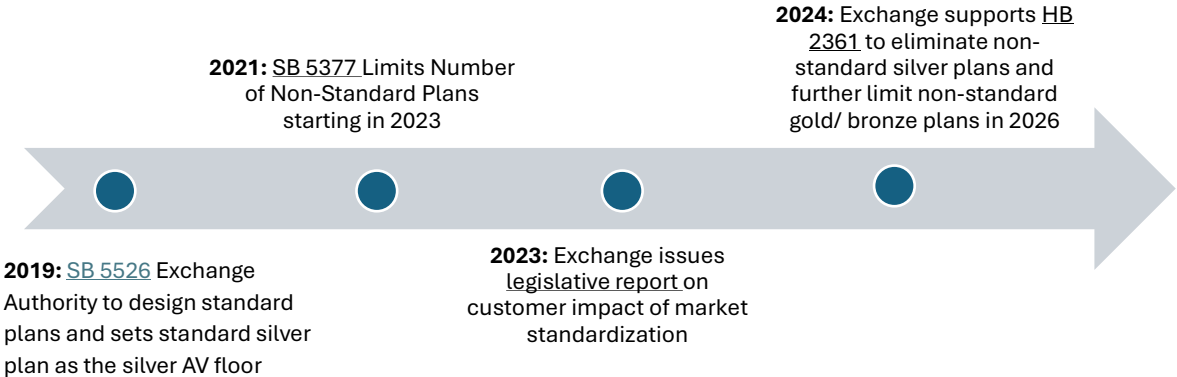
- Advance market dynamics that drive healthy competition on factors that differentiate plan offerings based on what matters most to customers: premium, network, and carrier quality and customer service.
- Reduce the likelihood that customers are confused or overwhelmed by too many plan choices, resulting in difficulty selecting the best plan for them.

**Data:** National research shows when customers become overwhelmed by having option “overload,” they do not select a health insurance plan, or fail to select a plan that best supports their health and financial well-being, known as “choice error.”<sup>1</sup>

### Exchange Customer Experience

| Choice Overload   | Missing Subsidy Assistance  | Missing Cost Sharing Assistance   | Customer Survey Feedback  |
|---|---|---|---|
| <b>82</b> plans from <b>12</b> carriers.<br><b>14</b> of <b>39</b> counties have <b>35+</b> plans to choose from. | <b>35,000 +</b> customers are eligible for Cascade Care Savings but do not receive them because they are not enrolled in a Cascade Silver or Gold plan. | <b>~25,000</b> Exchange customers are eligible for but not enrolled in plans offering federal subsidies that lower out-of-pocket costs when they seek care. | <b>“There are too many subtle differences</b> between plans, even within the same metal level and carrier...I can’t imagine how people would manage this who aren’t well-versed in the intricacies of insurance.” |

### Key Action Timeline



<sup>1</sup> ASPE, “Facilitating Consumer Choice: Standardized Plans in Health Insurance Marketplaces”, December 2021, available at: <https://aspe.hhs.gov/sites/default/files/documents/222751d8ae7f56738f2f4128d819846b/Standardized-Plans-in-Health-Insurance-Marketplaces.pdf>

### Key Actions to Date:

- At the direction of the Legislature, the Exchange started offering standard plans (marketed as Cascade Care plans) in 2021.
  - Standard plans—when compared to one another—provide the same benefit and cost-sharing structure across carriers, help customers make apples-to-apples comparisons between plans, and provide clear choices based on premium, network and quality.
  - Standard plans are the highest-value plans available to Exchange customers, and more than 70% of customers choose standard plans today. Standard plans offer deductibles about \$1,000 lower than non-standard plans, offer coverage with a low copay for more services before the deductible is met, and allow customers to maximize available federal and state subsidies to make their coverage and care more affordable.
- Following a [report to the Legislature](#) finding that offering only standard plans on the Exchange would improve customer experience, the Legislature introduced bills in the 2024 session to further limit non-standard plans on the Exchange. The bill did not pass.
- Annually, the Exchange facilitates plan renewals and renews customers into a different plan with better coverage when a plan is available that has the same or lower net premium after state subsidy dollars are applied, with the same provider network. This proactive plan switching helps customers who may have made a choice error, and customers still may choose a different plan during open enrollment.

## What are the Exchange's opportunities to advance market stewardship to provide meaningful consumer choice?

### Considerations:

#### *Stewardship*

- Board Advisory Committee members advised that advancing common benefits, standards of care, and administrative approaches aligns with the Board's strategic plan around purchaser alignment, is aligned with Universal Health Care Commission's transitional strategy around administrative simplification, and advances health equity.
- Market shelf curation and consumer decision support are strategies deployed by other state marketplaces to improve customer experience and market competition.

#### *Sustainability*

- Consumer advocates indicate Exchange customers would benefit from increased Exchange Board authority to make plan certification decisions that support a healthy Exchange in a dynamic environment.
- Standard plans are designed with carrier, provider, and consumer input and updated annually to respond to market changes.

#### *Stability*

- Standard plans with low co-pays, low deductibles, and first-dollar coverage protect customer health care access amid increasing costs.
- Exchange-OIC guiding principles include putting consumer protection at the forefront, preserving individual market stability, and mitigating unintended incentives to shift consumers to off-Exchange products.

#### *Simplicity*

- Standard plans create an "apples to apples" experience for customers, but there are opportunities to create more consistency in access and quality.
- Consumer advocates, providers, and some carriers support standardization. Some carriers and brokers do not support offering only standard plans on the Exchange.