



Washington Health Benefit Exchange

Standard Plan Stakeholder Workgroup

First Draft of Standard Plan Designs

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Goals for Today's Discussion

- Walk through draft standard plan designs with you
- Solicit your feedback on plan designs
- Update you on next steps



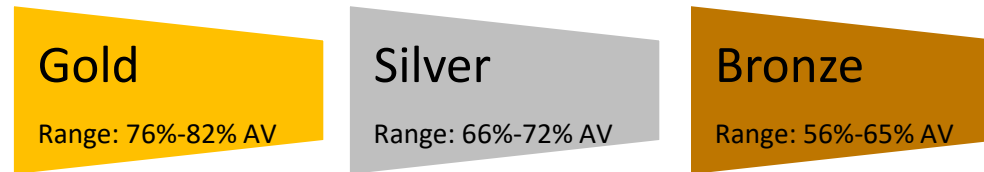
What's Happened Since Last Standard Plan Stakeholder Workgroup Meeting

- Received stakeholder feedback on policy questions posed to the group, summarized in separate document provided
- Wakely developed first drafts of standard plan designs, which incorporate feedback from stakeholder meetings
- Continuing to flesh out policy questions that will need to be addressed in standard plan designs
- Working closely with HCA and OIC on early stages of developing public option procurement



Draft Standard Plans: Number of Standard Plans at Each Metal Level

- First drafts of standard plans include 2 plans per metal level for comparison purposes



- Two standard gold plans – high actuarial value (81% AV) and low AV (77% AV)
 - Two silver plans – a 70% AV and a 71% AV
 - Two bronze plans – high AV (65% AV) and mid AV (62% AV)
- Goal was to provide meaningfully different plan designs at each metal level
 - Exchange could identify one or more plans at a metal level as required, and could make some plan designs optional
 - Expect to finalize 1-2 standard plans per metal level



Draft Standard Plans: Services Before Deductible

- Draft plans place higher-value outpatient services before deductible to the extent possible, including office visits and some prescription drugs
 - Generic and preferred brand drugs before deductible in all metal levels
 - *Silver plans* includes primary care visits, specialist visits, mental/behavioral health and substance use disorder outpatient services, urgent care, and physical therapy
 - *Bronze plan* includes access to some services before deductible, including primary care, specialist, and urgent care visits
 - High-AV *gold plan* designed for a higher utilizer; e.g., includes pre-deductible coverage of outpatient surgery and all Rx categories



Other Features of Draft Standard Plans

- All benefit categories have standard cost-sharing
 - Any service categories not listed are subject to fixed co-insurance
- Draft silver plans set at mid- to higher-end of AV range, to maximize tax credits
 - Still allows room for non-standard plans to be submitted with a higher AV
- Gold and silver plans illustrate contrasting approaches to deductibles and use of co-pays vs. co-insurance
 - Higher AV silver and gold plans are co-pay models, lower AV silver and gold plans include more co-insurance
- Draft plan designs include one HSA-compatible bronze plan
 - Tradeoffs – potentially lower premium, most limited coverage before deductible



Estimated Premium Impacts

- Weakly estimated how standard plan designs could impact current plan premiums
- Premium impacts across range of current plans estimated to result in:
 - Decrease of 9.7% to an increase of 4.8% at the gold level
 - Decrease of 2.2% to an increase of 1.6% at the silver level
 - Decrease of 3% to an increase of 5.2% at the bronze level
- For context, % of current enrollees in each metal level:
 - Bronze - 37%
 - Silver - 51%
 - Gold - 11%



More on Estimated Premium Impacts

- What influences the range of potential premium impact?
 - Difference of standard plan AVs from current plan AVs
 - E.g., standard gold plans at high and low end of AV range result in a wide range of potential premium change
 - E.g., a current gold plan at 77% AV compared to the high AV gold standard plan results in a premium increase at the high end of the range
- Premium impact estimates will change as the draft plans are revised
- Will be doing more analysis to understand potential premium impacts
- These premium impacts projected by Wakely only affect first year
 - Future years will see adjustments for other factors, like risk and enrollment



Policy Questions on Draft Standard Plans

- How do these standard plan designs address the needs of consumers of different income levels?
- Do the draft plans place the right services before the deductible?
- How do these standard plan designs address the needs of both higher and lower utilizers?
- Do the plans strike the right balance of deductibles vs. other cost-sharing (co-pays, co-insurance)?
- What are potential impacts of these plan designs that we're not thinking of?



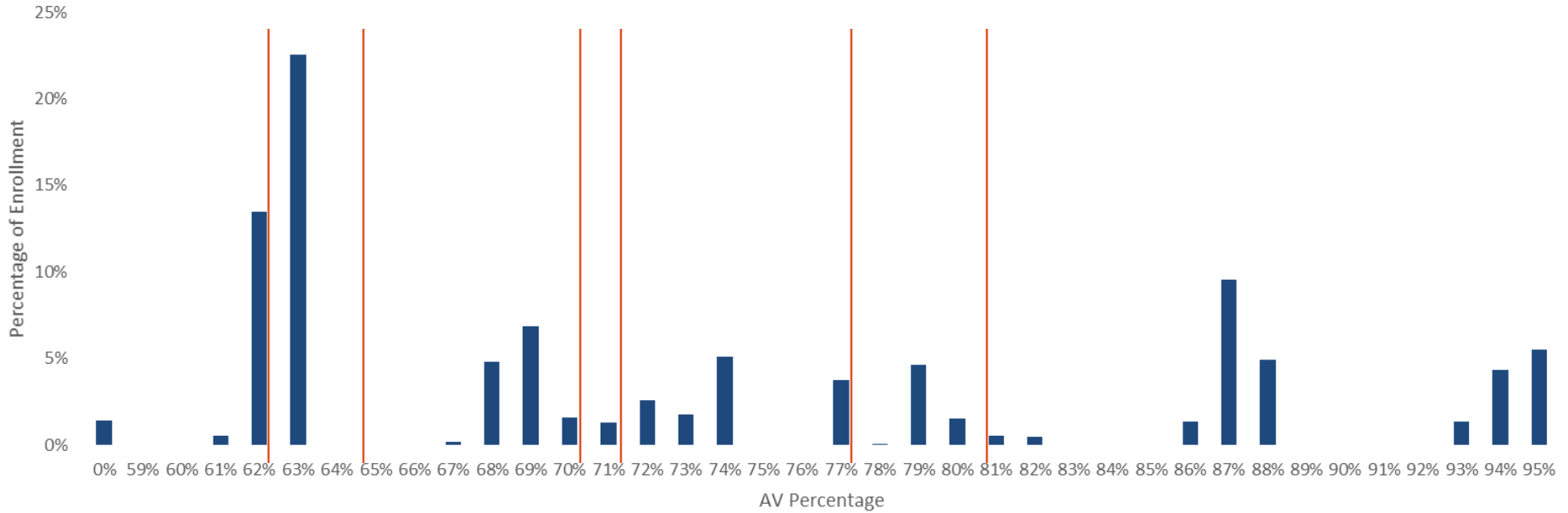
Deeper Dive into Standard Plan Designs

- Prevalence
- Plans – Overview
 - Services Before Deductible
 - AVs
- Pricing Estimates
- Questions/Discussion



Prevalence in Current Market

Percent Enrollment by AV Percentage



Cat.

Bronze

Silver

73AV CSR

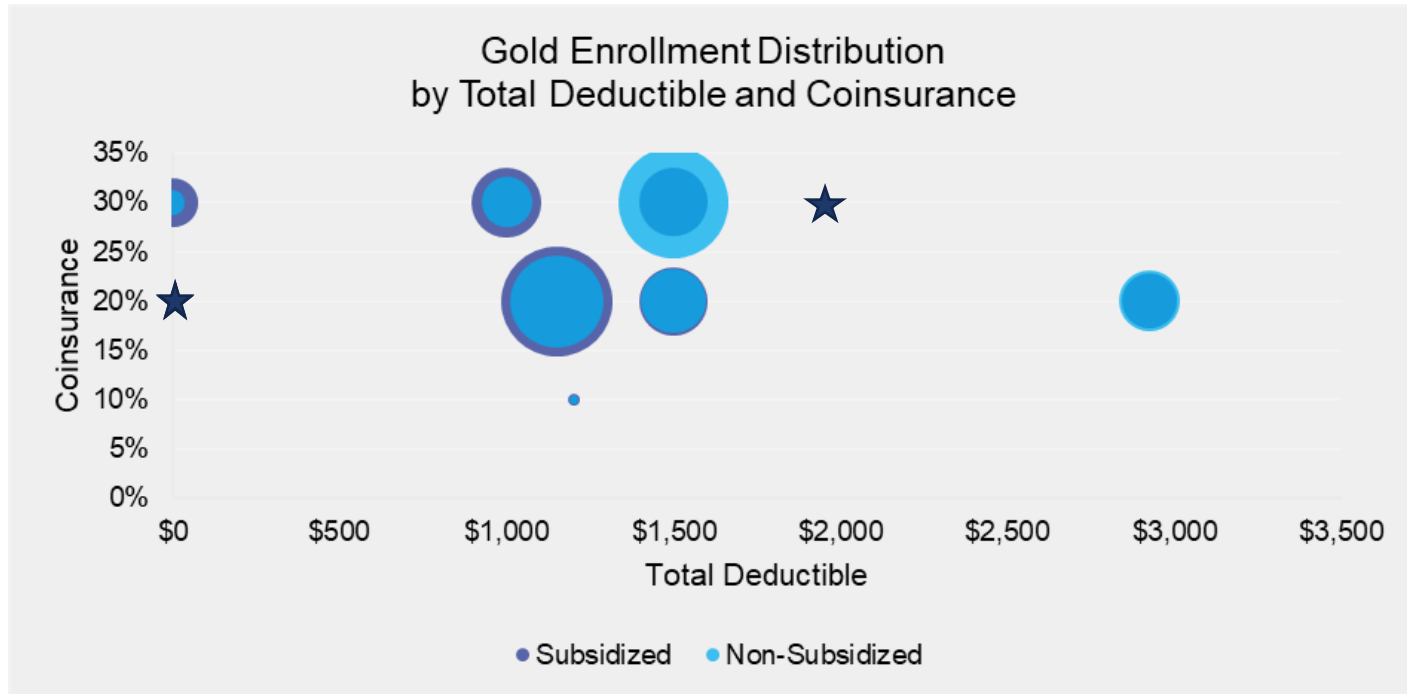
Gold

87AV CSR

94AV CSR



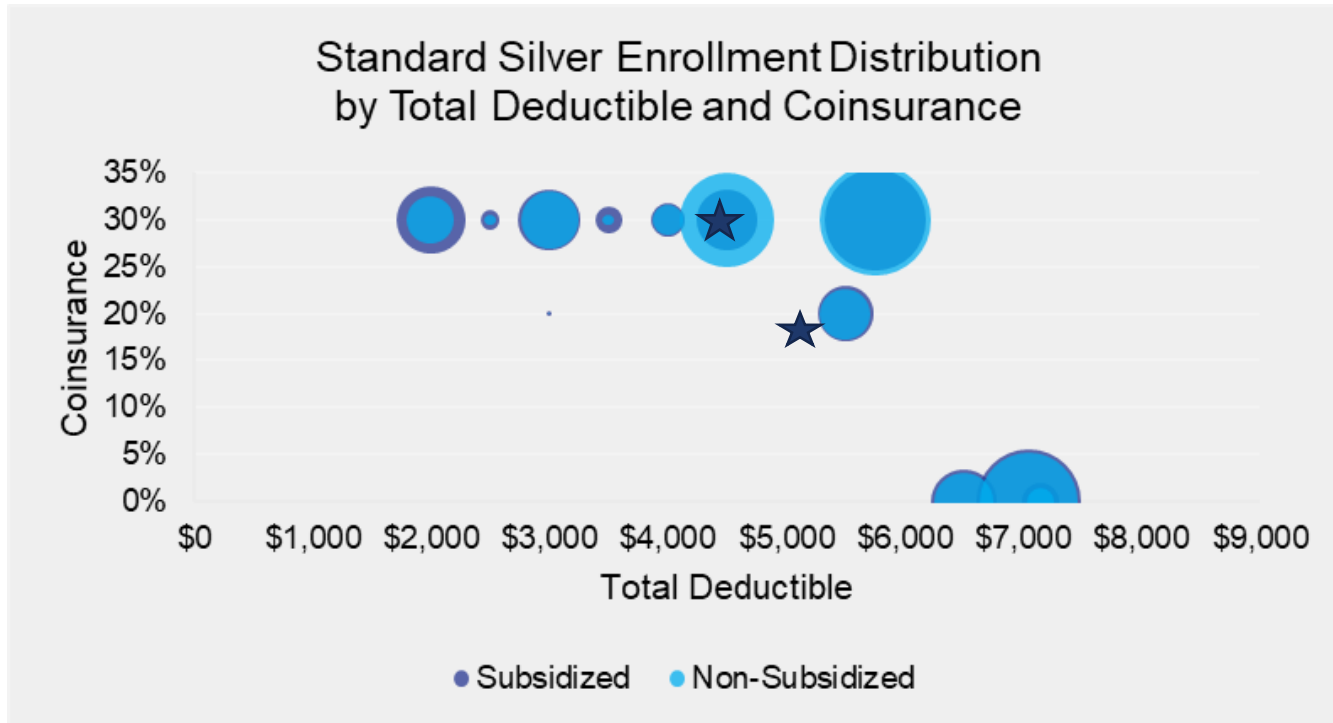
Prevalence in Current Market



★ Proposed Standard Plans



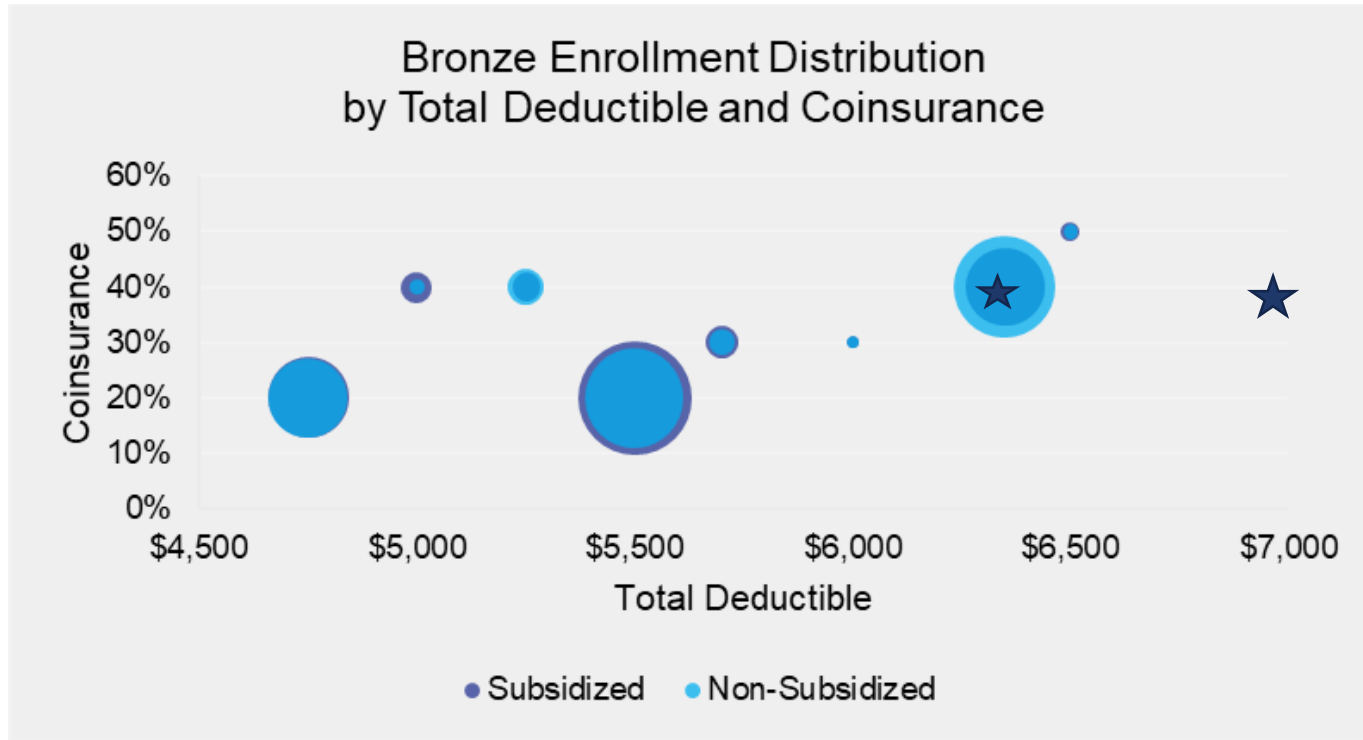
Prevalence in Current Market



★ Proposed Standard Plans



Prevalence in Current Market



★ Proposed Standard Plans



Prevalence in Current Market

- Services before deductible
 - PCP
 - Urgent Care
 - Generic Rx
- Services after deductible
 - ER
 - Specialty Rx



Standard Plans Overview

- Meet Consumer needs
- Plan details
 - Services before deductible
 - IP Copay per day versus admission, and limits
 - Specialty drug limits
- Exclusions not defined yet
- All other benefits get deductible plus coinsurance



Standard Plan Designs Overview

Mostly copays vs Mix

Low and high plan

Footnotes:

No deductible for shaded

Gold 1: \$250 Specialty Rx max

Gold 2: IP copay per day, 5 max

Benefits	Gold 1 (77% AV)	Gold 2 (81% AV)
Integrated	Yes	Yes
Deductible (\$)	\$2,000	\$0
Coinsurance	30%	20%
MOOP (\$)	\$6,500	\$5,000
Emergency Room Services	30%	\$375
Urgent Care	\$65	\$65
*All Inpatient Hospital Services (inc. MH/SUD, Maternity)	30%	\$600
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	\$30	\$30
Specialist Visit	\$65	\$50
Mental/Behavioral Health and Substance Use Disorder Outpatient Services	\$30	\$30
Imaging (CT/PET Scans, MRIs)	30%	\$275
Speech Therapy	\$45	\$45
Occupational and Physical Therapy	\$45	\$45
Preventive Care/Screening/Immunization	\$0	\$0
Laboratory Outpatient and Professional Services	30%	\$55
X-rays and Diagnostic Imaging	\$45	\$55
Skilled Nursing Facility	30%	\$300
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	30%	\$300
Outpatient Surgery Physician/Surgical Services	30%	\$55
Generics	\$10	\$15
Preferred Brand Drugs	\$50	\$55
Non-Preferred Brand Drugs	\$75	\$75
Specialty Drugs (i.e. high-cost)	50%	\$250
Ambulance	30%	\$375
All Other Benefits	30%	20%
Federal AV	77.13%	80.91%
Pricing Model AV	78.03%	83.07%

* \$250 max Specialty

** 5 day Max IP

Standard Plan Designs Overview

More copays, higher ded

AVs similar

Room for non-standard

Footnotes:

No deductible for shaded

Silver 2: IP per day copay, 5 max

Benefits	Silver 1 (70% AV)	Silver 2 (71% AV)
Integrated	Yes	Yes
Deductible (\$)	\$4,500	\$5,000
Coinsurance	30%	20%
MOOP (\$)	\$7,500	\$7,500
Emergency Room Services	30%	20%
Urgent Care	\$75	\$60
*All Inpatient Hospital Services (inc. MH/SUD, Maternity)	30%	\$650
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	\$40	\$30
Specialist Visit	\$75	\$60
Mental/Behavioral Health and Substance Use Disorder Outpatient Services	\$40	\$30
Imaging (CT/PET Scans, MRIs)	30%	20%
Speech Therapy	\$60	\$30
Occupational and Physical Therapy	\$60	\$30
Preventive Care/Screening/Immunization	\$0	\$0
Laboratory Outpatient and Professional Services	30%	\$65
X-rays and Diagnostic Imaging	30%	\$65
Skilled Nursing Facility	30%	\$650
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	30%	\$250
Outpatient Surgery Physician/Surgical Services	30%	20%
Generics	\$20	\$20
Preferred Brand Drugs	\$65	\$60
Non-Preferred Brand Drugs	30%	\$80
Specialty Drugs (i.e. high-cost)	40%	50%
Ambulance	30%	20%
All Other Benefits	30%	20%
Federal AV	70.33%	71.39%
Pricing Model AV	72.42%	72.70%

** Putting IP N

** Adding 5 d



Standard Plan Designs Overview

HSA lower AV

Expanded Bronze

Separate med/Rx Ded

Footnotes:

No deductible for shaded

Benefits	Bronze 1 HSA (62% AV)	Bronze 2 (64% AV)
Integrated	Yes	No
Deductible (\$)	\$6,350	Med = \$7000 RX = \$500
Coinsurance	40%	Med = 40% RX = 50%
MOOP (\$)	\$6,900	\$8,150
Emergency Room Services	40%	40%
Urgent Care	\$100	\$90
*All Inpatient Hospital Services (inc. MH/SUD, Maternity)	40%	40%
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	\$75	\$70
Specialist Visit	\$100	\$90
Mental/Behavioral Health and Substance Use Disorder Outpatient Services	\$75	\$70
Imaging (CT/PET Scans, MRIs)	40%	40%
Speech Therapy	\$75	40%
Occupational and Physical Therapy	\$75	40%
Preventive Care/Screening/Immunization	\$0	\$0
Laboratory Outpatient and Professional Services	40%	40%
X-rays and Diagnostic Imaging	40%	40%
Skilled Nursing Facility	40%	40%
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	40%	40%
Outpatient Surgery Physician/Surgical Services	40%	40%
Generics	\$25	\$45
Preferred Brand Drugs	40%	\$85
Non-Preferred Brand Drugs	40%	50%
Specialty Drugs (i.e. high-cost)	40%	50%
Ambulance	40%	40%
All Other Benefits	40%	Med = 40% RX = 50%
Federal AV	62.25%	64.89%
Pricing Model AV	66.68%	70.42%



Pricing Estimates

- Federal AV Calculator – for metal definition
- Wakely Pricing Model – for relative pricing estimates
- Second Lowest Silver identification
 - Assume will be lower AV silver plan
 - Will depend on final pricing



Questions/Discussions

- What is included in Specialty Drug? Is it always high cost drugs?
- What was assumed for non-standard plans?
- How may actual pricing vary from estimated?
- Does HSA Bronze plan meet HSA requirements?
- How do copays relate to average cost of services, especially for generic Rx and office visits?
- What is assumed for other services not specified in table?



Questions/Discussions

- What benefit exclusions and non-EHB are included in draft plans?
- How does pricing reflect Washington market?
- Are IP and SNF copays daily or per admission?
- Are copays applied separately for multiple services in same medical episode?
- How is induced utilization estimated in pricing?
- What is assumed for formularies?



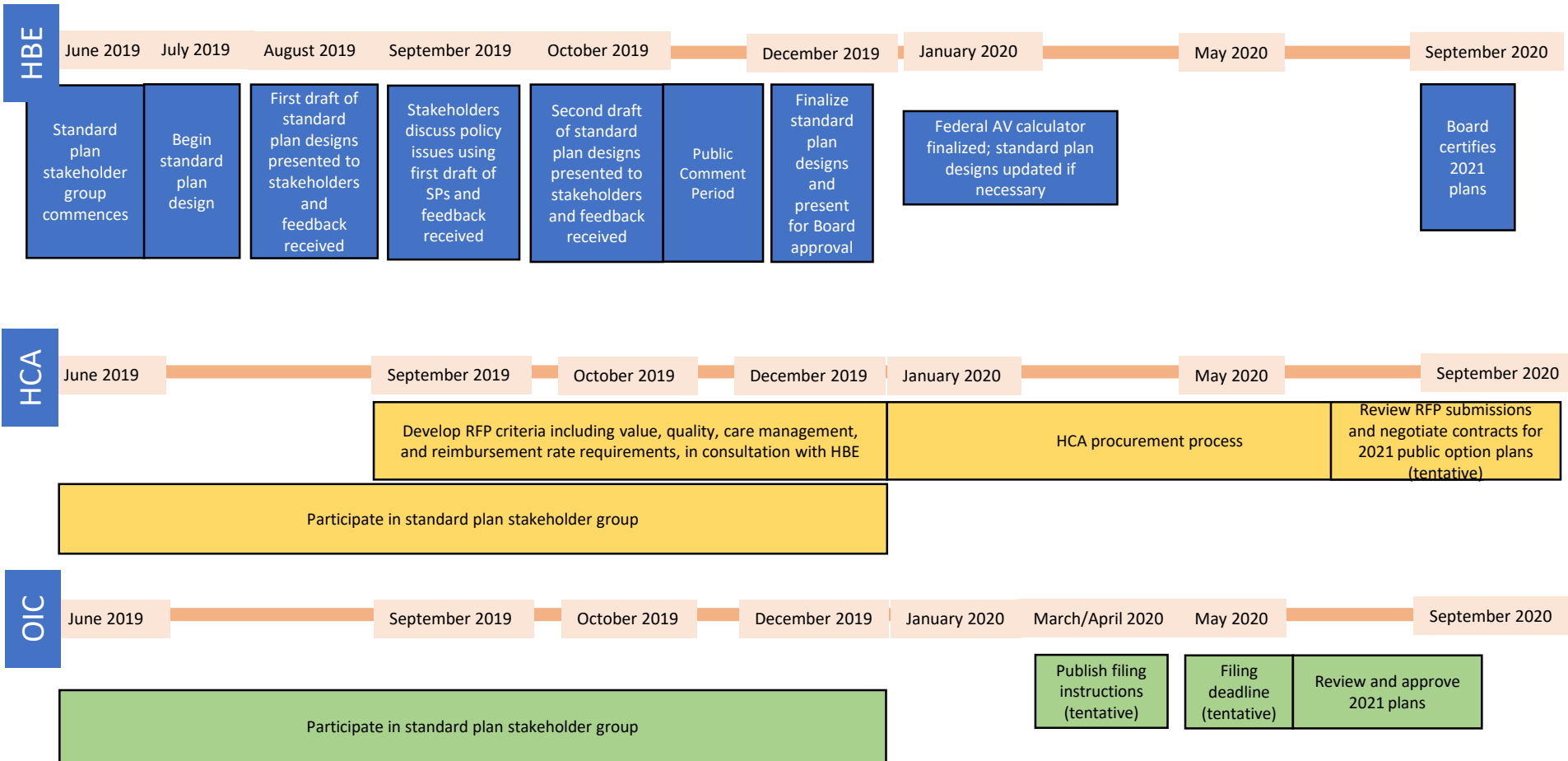
Next Steps

- Please provide us additional feedback to policy questions on slide 9 in next two weeks (due September 3)
- Next meeting September 24 in Seattle
- Will continue discussing first draft of standard plans
- Exchange investigating possible approaches for displaying new plans to consumers in 2021
 - Identifying options and soliciting stakeholder feedback



Appendix

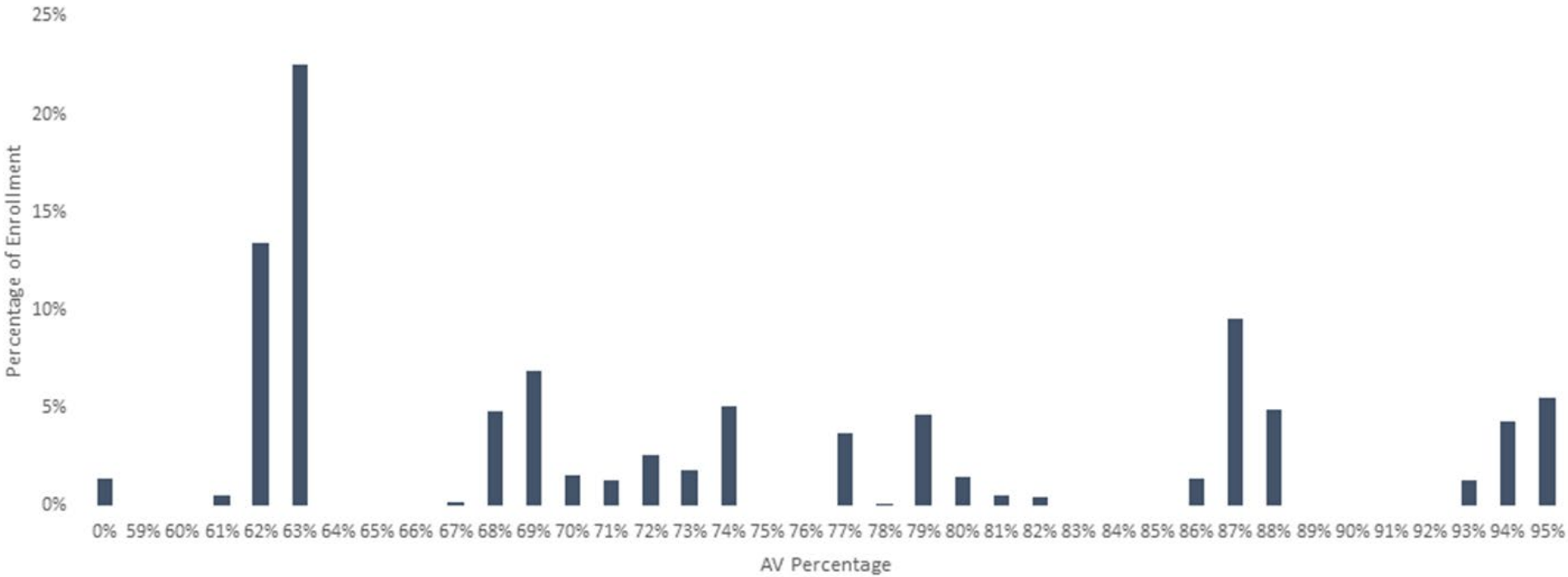
Interagency Cascade Care Implementation Timeline



Current Enrollees' AVs vs. Proposed Standard AVs

2019 Enrollment:

Percent Enrollment by AV Percentage



Proposed Standard Plan AVs:

- Gold: 77% AV, 81% AV
- Silver: 70% AV, 71% AV
- Bronze: 62% AV, 64% AV



Initial Stakeholder Workgroup Meeting

- Discussed policy considerations for standard plans that this group will consider, including:
 - How do we strike the right balance between deductibles and other out-of-pocket costs?
 - What services should be available before the deductible?
 - How should we incorporate co-pays vs. co-insurance?
 - Should we design a standard plan that is Health Savings Account compatible?
 - How should we use claims data to inform standard plan design?
- Discussed two policy considerations in more detail:
 - How many standard plans at each metal level?
 - How should we design silver standard plans to maximize tax credits?



Stakeholder Workgroup Feedback - Themes

- Affordability is of universal concern
- Predictability - Standard plans can help consumers budget for their health care needs by spreading cost-sharing over the year
- Incentivize good utilization through plan design
- First year is an opportunity to create a starting point, understand impacts, and adjust
- Balance – create products that will work for lower health care utilizers and also those with chronic conditions and higher costs
- Have realistic expectations about what standard plans can achieve
- How products are introduced is critical - important to minimize confusion and disruption that new products may cause to consumers and assisters



Initial Carrier Workgroup Meeting

- Discussed technical plan design questions that this group will consider, including:
 - Which services should be subject to co-pay vs. co-insurance?
 - How should caps be used for cost-sharing limitations on certain benefits?
 - E.g., 3 outpatient visits at co-pay before deductible applies, \$ cap on specialty Rx
 - How to balance deductibles, co-pays and co-insurance, and OOP max?
 - How to ensure than Mental Health Parity requirements are being met?
 - How do standard plan design choices impact carriers' administrative costs?
 - Adverse selection considerations?
 - Premium impacts of draft standard plan designs?
- Discussed two policy considerations in more detail:
 - What benefits should be standardized?
 - What services should be provided before the deductible?



Carrier Feedback - Themes

- Standard plans can offer consumers transparency into costs and give consumers ability to compare plans on an apples-to-apples basis
- Keep it simple - first year is an opportunity to create a starting point, understand impacts, and adjust
- Don't try to undertake too much with standard plans - these plans won't solve all issues in individual market
- Incentivize good utilization through plan design
- Minimize market disruption that will be caused by new products
 - Consider ability to renew plans year-to-year
 - Important to display new products in a way that minimizes consumer confusion
- Important for carriers to be able to innovate through plan design
- Could be challenging for carriers to meet Mental Health Parity requirements in the standard plans



Policy Questions for First Draft of Standard Plans

- **Question 1:** How many standard plans at each metal level?
- What do other states do?
 - Most states only provide one required plan design at each metal level as well as an optional HSA plan at bronze
 - MA requires a low-AV gold option, higher AV gold is optional
 - CA has a co-pay and a co-insurance gold plan design, issuers pick one; requires one silver and one bronze (+ optional HSA bronze)
 - CT requires 2 standard silver plans; VT has an optional HSA silver
- Stakeholder feedback:
 - Two approaches – start small, keep it simple vs. design multiple drafts for comparison purposes and then pare down
 - General agreement around landing on 1-2 standard plans per metal level
 - Some favored including HSA-compatible standard plan at bronze, some opposed



Policy Questions for First Draft of Standard Plans

- **Question 2:** What benefits should be provided before the deductible?
- Different approaches in other states: CA goal is to place all outpatient services before deductible, MA includes some outpatient and some Rx
- Varies by metal level
- Stakeholder feedback:
 - Encourage appropriate utilization by placing certain high-value services before the deductible
 - Placing primary care, generic drugs and urgent care before deductible drives appropriate use
 - ER should not be before deductible – encourages inappropriate use



Services Before Deductible – Silver Plan

Type of Benefit	California	Massachusetts	HBE 2018 Standard Plan Feasibility Study
Medical			
Emergency Room Services	X		X
All Inpatient Hospital Services (inc. MH/SUD)			
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	X	X	X
Specialist Visit	X	X	X
Mental/Behavioral Health and Substance Use Disorder Outpatient Services	X	X	X
Urgent care	X	X	X
Imaging (CT/PET Scans, MRIs)	X		
Speech Therapy	X	X	X
Occupational and Physical Therapy	X	X	X
Preventive Care/Screening/Immunization	X	X	X
Laboratory Outpatient and Professional Services	X		
X-rays and Diagnostic Imaging	X		
Skilled Nursing Facility			
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	X		
Outpatient Surgery Physician/Surgical Services	X		
Prescription Drug			
Generics		X	X
Preferred Brand Drugs		X	X
Non-Preferred Brand Drugs			X
Specialty Drugs (i.e. high-cost)			



Three Different Types of Health Plans in the Exchange in 2021: Non-Standard Plans, Standard Plans, and Public Option Plans

	Non-Standard Plans	Standard Plans	Public Option Plans (Standard Plans Plus)
Offered through the Exchange and eligible for federal tax subsidies	✓	✓	✓
Subject to full regulatory review by OIC, including network adequacy and rate review requirements	✓	✓	✓
Adheres to 19 Exchange certification criteria for QHPs	✓	✓	✓
Meets federal actuarial value requirements for metal levels	✓	✓	✓
Includes Essential Health Benefits	✓	✓	✓
Uses plan design with deductibles, co-pays, and co-insurance amounts set by Exchange for each metal level (bronze, silver, gold)		✓	✓
Some services guaranteed to be available before the deductible		✓	✓
Allows consumers to easily compare plans based on premium, network, quality, and customer service		✓	✓
Procured by HCA (Could result in one or more plans per county)			✓
Required to incorporate Bree Collaborative and Health Technology Assessment program recommendations			✓
Caps aggregate provider reimbursement at 160% of Medicare			✓
Subject to a floor on reimbursement for primary care services (135% of Medicare) and reimbursement of rural hospitals (101% of cost)			✓
Requires carriers to offer a bronze plan (in addition to silver and gold)			✓
Carriers required to offer to participate in the Exchange		✓	34



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