Today’s Discussion

- Summary of standard plan development process and feedback received
- Walk through 2021 standard plan designs
- Lessons learned for going forward
- Board vote to approve standard plan designs and next steps
Exchange Goals for Cascade Care

▪ Offer more affordable health plan options for consumers

▪ Grow new enrollment – including those remaining uninsured and those purchasing plans in the outside market

▪ Retaining current enrollment, including unsubsidized enrollees

▪ Strengthen the individual market and its competitiveness, through carrier participation, more valuable product offerings, and overall enrollment
Guiding Principles for Standard Plans

- 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 Process

- Exchange continues to work closely with HCA and OIC on Cascade Care implementation
- Exchange convened a workgroup including carriers, consumer advocates, providers, and business and labor representatives to help guide us through the plan design process
- Exchange consulted with carrier workgroup to solicit technical feedback on plan designs
- Public comment period on standard plan designs held from October 18 – November 18
- Once adopted, Exchange will hand off 2021 standard plan designs to HCA to include in public option procurement
Feedback Received

- **Major themes of public comment**
  - Majority of comments indicated general support of the plan designs, especially co-pay structure in gold and silver plans
  - General concern over affordability of premiums in the Exchange
  - Plan designs not different enough from current offerings
  - Desire for plans that provide access to services before the deductible

- **Themes of Standard Plan Workgroup/Carrier feedback**
  - General support of publishing one standard plan per metal level
  - Majority of members favored higher value plans at each metal level
  - Carriers emphasized need to be able to offer non-standard silver plans (at or above the standard silver plan AV, per legislation)
  - Majority of members urged Exchange not to design bronze standard plan as HSA-compatible
  - Carriers provided helpful detailed feedback
Challenges with Bronze Plan

- Bronze plans attract two key groups of consumers: those wanting higher-value coverage closer to a silver and those looking for the lowest premium
- Non-subsidized population seeks out bronze plans looking for lower premiums
- For year one, focused on lowering deductible and minimizing premium impacts while offering most essential services before deductible
- Goal is to publish a bronze plan that provides best foundation possible for bronze public option plan
Review Plan Designs
(see handouts)
Success of Current Designs

- Result of open and transparent process; taken helpful feedback from many groups
- Have managed to lower deductibles, particularly in gold and silver plans
- Providing services before deductible, particularly high value services
- Bronze option provides essential services before deductible and potential for low premium
- Strong foundation for public option plans
Lessons Learned for Going Forward

- Flexibility to require two standard plans at each metal level would help more consumers

- Removing non-standard plans would allow for more targeted approach on value and less confusion for consumers
  - Consumers would have true apples-to-apples comparison
  - All standard plans would ensure products with proven value

- Current requirement that standard silver plan sets floor of AV of all silver plans is an important consumer protection and maximizes tax credits

- Affordability should remain an area of focus
  - Shorter Term: subsidies for enrollees
  - Longer Term: curb the rising cost of health care
Next Steps

▪ Asking the Board to approve 2021 standard plan designs today

▪ Standard plans will need to be adjusted slightly to comply with AV calculator changes, which are included in annual HHS regulations

▪ HCA will use standard plan designs in their public option procurement, which will be released in February 2020

▪ More discussions with the Board on the public option procurement
Appendix
Three plans are recommended to the Board for approval: one gold, one silver, and one bronze plan

- 81% AV gold plan
- 71% AV silver plan
- 63% AV bronze plan
Estimated Premium Impacts of Recommended Standard Plans

<table>
<thead>
<tr>
<th>Plan</th>
<th>Average Weighted Change*</th>
<th>Range of Potential Premium Impacts</th>
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</thead>
<tbody>
<tr>
<td>Standard Bronze</td>
<td>-0.9%</td>
<td>-2.2% to 1.4%</td>
</tr>
<tr>
<td>Standard Silver</td>
<td>0.87%</td>
<td>-0.2% to 5.0%</td>
</tr>
<tr>
<td>Standard Gold</td>
<td>4.63%</td>
<td>-3.4% to 8.1%</td>
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* Estimated premium impacts calculated using Wakely Consulting’s pricing model with results weighted for 2019 enrollment using 2020 rates.
## AVs of Standard Plans in Other States

<table>
<thead>
<tr>
<th>State</th>
<th>Actuarial Values of 2020 Standard Plans</th>
<th>Gold (76%-82% AV)</th>
<th>Silver (66%-72% AV)</th>
<th>Bronze (56%-65% AV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>Carrier chooses 81.8% AV co-insurance or 78.3% AV co-pay design</td>
<td>71.8% AV</td>
<td>61.4% AV</td>
<td></td>
</tr>
<tr>
<td>California</td>
<td><strong>Only standard plans permitted</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Connecticut</td>
<td>81.91% AV</td>
<td>71.93% AV</td>
<td>64.98% AV</td>
<td></td>
</tr>
<tr>
<td>Connecticut</td>
<td><strong>Non-standard plans allowed at gold and bronze Two carriers in market</strong></td>
<td></td>
<td>64% AV HSA</td>
<td></td>
</tr>
<tr>
<td>D.C.</td>
<td>81.94% AV</td>
<td>71.95% AV</td>
<td>64.96% AV</td>
<td></td>
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<tr>
<td>D.C.</td>
<td><strong>Non-standard plans allowed</strong></td>
<td></td>
<td>63% AV HSA</td>
<td></td>
</tr>
<tr>
<td>Massachusetts</td>
<td>81.3% AV 76.04% AV</td>
<td>71.95% AV</td>
<td>64.95% AV 65% AV HSA optional</td>
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<tr>
<td>Massachusetts</td>
<td><strong>Non-standard plans allowed for consumers &gt;300% FPL</strong></td>
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<tr>
<td>Vermont</td>
<td>81.9% AV 71% AV HSA</td>
<td>71.8% AV</td>
<td>64% AV 61.9% AV HSA</td>
<td></td>
</tr>
<tr>
<td>Vermont</td>
<td><strong>Nonstandard plans allowed with 71% AV floor in silver Two carriers in market</strong></td>
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</tbody>
</table>

1. Integrated deductible
2. Separate medical and Rx deductible