



# Washington Health Benefit Exchange

Feasibility Study: Consumer-Centered Plan Design

Exchange Operations Committee  
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# Context for Studying Consumer-Centered Plan Design

- Consumers report that they cannot afford current individual market health plans
- Difficult for consumers to understand cost-sharing and compare value of plans
- Board direction to gather more information about patient-centered plans to address affordability concerns
- Other discussions in Washington to improve affordability and value of health care – how could consumer-centered plans fit with other proposals?



# What Are Consumer-Centered Plans?

- A common cost-sharing structure and plan design at each metal level
- Transparency and predictability for consumers through same deductible, co-pays, and co-insurance for medical services
- Can be offered side-by-side with non-standard plans
- *Do not* add additional mandated benefits or standardize the content of formularies
- Refer to Wakely report for examples at bronze, silver, and gold levels (see pages 32-38)



# Examples of Consumer- Centered Plans (Silver Level)

Benefits	Silver Plan 1	Silver Plan 2	Silver Plan 3
Integrated	Yes	Yes	Yes
Deductible (\$)	\$3,000	\$5,500	\$6,500
Coinsurance	30%	20%	20%
MOOP (\$)	\$7,350	\$7,350	\$7,350
Emergency Room Services	\$375	\$400	\$400
Urgent Care	\$75	\$60	\$65
All Inpatient Hospital Services (inc. MH/SUD)	30%	20%	20%
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	\$35	\$30	\$35
Specialist Visit	\$75	\$60	\$65
Mental/Behavioral Health and Substance Use Disorder Outpatient Services	\$35	\$30	\$35
Imaging (CT/PET Scans, MRIs)	30%	20%	20%
Speech Therapy	\$60	\$30	\$60
Occupational and Physical Therapy	\$60	\$30	\$60
Preventive Care/Screening/Immunization	0%	0%	0%
Laboratory Outpatient and Professional Services	30%	20%	20%
X-rays and Diagnostic Imaging	30%	20%	20%
Skilled Nursing Facility	30%	20%	20%
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	30%	20%	20%
Outpatient Surgery Physician/Surgical Services	30%	20%	20%
Generics	\$20	\$10	\$20
Preferred Brand Drugs	\$55	\$60	\$60
Non-Preferred Brand Drugs	\$80	\$80	\$80
Specialty Drugs (i.e. high-cost)	40%	50%	50%
IP MH/BH	30%	20%	20%
Ambulance	30%	20%	20%
IP Maternity	30%	20%	20%

\* Grey highlighting indicates benefit is not subject to deductible



# Feasibility Study Background

- Exchange contracted with Wakely Consulting to perform analysis
- Assure that standardization would not increase premiums
- Wakely analyzed the current 2018 Exchange market and the prevalence of plan designs at each metal level
- Wakely developed model consumer-centered plans in each metal level
  - Three silver plans: 70% AV, two plans at 72% AV
  - Two gold plans: Both 76% AV
  - Two bronze plans: 61% AV, 65% AV
- Wakely compared premiums of model plans to premiums of current Exchange plans with the highest enrollment



# Feasibility Study Findings

- Possible to offer consumer-centered plans in WA that:
  - Lower deductibles
  - Offer more services before the deductible
  - Provide co-payments for more services
  - Do not significantly impact premiums
- Minimal premium impact:
  - Decrease of 1% to 6.5% at the gold level
  - Decrease of 5% to an increase of 2.5% at the silver level
  - Decrease of 1.5% to an increase of 3.5% at the bronze level



# Possible to Offer Consumer-Centered Plans with Minimal Market Disruption

- Model consumer-centered plans align with current plan offerings; would not disrupt the market
- Consumer-centered plans can be offered alongside non-standard plans
- Can maximize federal tax credits with a higher actuarial value (AV) consumer-centered silver plan, and allow non-standard silver plans that meet or exceed that AV



# Consumer-Centered Plans Implemented in Other States

- Following states have adopted: CA, CT, DC, MA, MD, NY, OR, VT
- All states require consumer-centered plan options at the bronze, silver, and gold levels
- Can be used to maximize federal tax credits
  - E.g., CT requires each carrier to offer a consumer-centered silver plan with a high AV and allows non-standard plans that have higher premiums



# Lessons Learned from Other States

- Important to be able to adjust cost-sharing year to year
- Limiting the number of non-standard plans minimizes consumer confusion
- How plans are displayed and health literacy about consumer-centered plans is critical to their success



# Carrier Feedback

- Carrier feedback varies
- All carriers have acknowledged the potential benefits to consumers
- Concern that standard plans would limit carriers' ability to design competitive products or compete based on product design
- Some carriers appreciate that standard cost-sharing would allow competition based on other plan attributes: network, quality, customer service
- Raised concerns that copays and co-insurance should engage consumers in making more cost-effective choices (e.g., emergency room utilization, imaging)
- Some carriers not in favor of concept of requiring consumer-centered plans at all three metal levels



# Next Steps

- Sharing report findings with interested legislators
- Continued discussions with OIC and stakeholders
- Wakely follow-up to address stakeholder feedback
- Legislator interest in exploring consumer-centered plan concept as part of a state-based public option



# Appendix

# Standard Plan Implementation: State Comparison

State	Implementation Year	Required at Bronze, Silver, and Gold Metal Levels	Required set of uniform services before deductible	Requires only standard plans at silver level
California	2014	X	X	X
Connecticut	2014	X	X	Non-standard plan permitted between 70% and 72% AV
District of Columbia	2016	X	X	
Maryland	2020	X	X	
Massachusetts	2010	X	X	Standardized plans only for up to 300% FPL
New York	2014	X		
Oregon	2014	X	X	
Vermont	2014	X	X	





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