



Washington Health Benefit Exchange

Feasibility Study: Patient-Centered Plan Design

Exchange Policy Committee

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Context for Studying Patient-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 patient-centered plans fit with other proposals?



What Are Patient-Centered Plans?

- A common cost-sharing structure and plan design at each metal level
- Transparency 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



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 patient-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 patient-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 Patient-Centered Plans with Minimal Market Disruption

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



Patient-Centered Plans Implemented in Other States

- Following states have adopted: CA, CT, DC, MA, MD, NY, OR, VT
- All states require patient-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 patient-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 patient-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
- Provided suggestions for specific plan design modifications based on their actuarial and plan design experience
- Raised concerns that copays and co-insurance should engage consumers in making more cost-effective choices
 - E.g., emergency room utilization or imaging



Next Steps

- Sharing findings and discussion with interested legislators
- Continued discussions with OIC and stakeholders
- Wakely follow-up to address stakeholder feedback
- Interest in exploring patient-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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