



# Washington Health Benefit Exchange

Cascade Care – Standard Plan Designs

Exchange Board Meeting

December 5, 2019

# 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



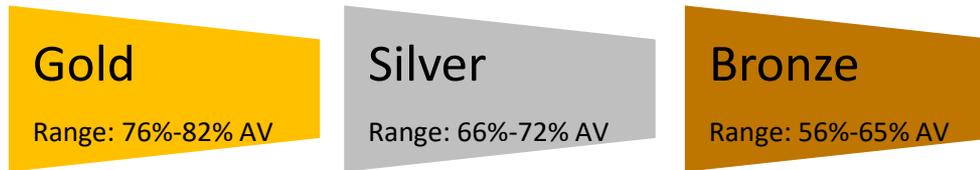
# Next Steps

- 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

# Recommended Standard Plan Designs



- 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

| Plan            | Average Weighted Change* | Range of Potential Premium Impacts |
|-----------------|--------------------------|------------------------------------|
| Standard Bronze | -0.9%                    | -2.2% to 1.4%                      |
| Standard Silver | 0.87%                    | -0.2% to 5.0%                      |
| Standard Gold   | 4.63%                    | -3.4% to 8.1%                      |



\* 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

| State   | Actuarial Values of 2020 Standard Plans                                       |                                      |   |
|---|---|--------------------------------------|---|
|   | Gold (76%-82% AV)   | Silver (66%-72% AV)                  | Bronze (56%-65% AV)   |
| <b>California</b><br><i>Only standard plans permitted</i>   | Carrier chooses <b>81.8% AV</b> co-insurance or <b>78.3% AV</b> co-pay design | <b>71.8% AV</b>                      | <b>61.4% AV</b>   |
| <b>Connecticut</b><br><i>Non-standard plans allowed at gold and bronze<br/>Two carriers in market</i>     | <b>81.91% AV</b>  | <b>71.93% AV</b>                     | <b>64.98% AV</b><br><b>64% AV HSA</b>   |
| <b>D.C.</b><br><i>Non-standard plans allowed</i>  | <b>81.94% AV</b>  | <b>71.95% AV</b>                     | <b>64.96% AV</b><br><b>63% AV HSA</b>   |
| <b>Massachusetts</b><br><i>Non-standard plans allowed for consumers &gt;300% FPL</i>                      | <b>81.3% AV</b><br><b>76.04% AV</b>   | <b>71.95% AV</b>                     | <b>64.95% AV</b><br><b>65% AV HSA optional</b>                                  |
| <b>Vermont</b><br><i>Nonstandard plans allowed with 71% AV floor in silver<br/>Two carriers in market</i> | <b>81.9% AV</b>   | <b>71.8% AV</b><br><b>71% AV HSA</b> | <b>64% AV<sup>1</sup></b><br><b>61.9% AV<sup>2</sup></b><br><b>61.5% AV HSA</b> |

1. Integrated deductible
2. Separate medical and Rx deductible