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><em>Integrated deductible</em></th>
<th><em>Separate medical and Rx deductible</em></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>California</strong>&lt;br&gt;Only standard plans permitted</td>
<td>Gold (76%-82% AV)</td>
<td>Carrier chooses 81.8% AV co-insurance or 78.3% AV co-pay design</td>
<td>71.8% AV</td>
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<tr>
<td><strong>Connecticut</strong>&lt;br&gt;Non-standard plans allowed at gold and bronze&lt;br&gt;Two carriers in market</td>
<td>Gold (81.91% AV)</td>
<td>71.93% AV</td>
<td>64.98% AV&lt;br&gt;64% AV HSA</td>
</tr>
<tr>
<td><strong>D.C.</strong>&lt;br&gt;Non-standard plans allowed</td>
<td>Gold (81.94% AV)</td>
<td>71.95% AV</td>
<td>64.96% AV&lt;br&gt;63% AV HSA</td>
</tr>
<tr>
<td><strong>Massachusetts</strong>&lt;br&gt;Non-standard plans allowed for consumers &gt;300% FPL</td>
<td>Gold (81.3% AV)</td>
<td>71.95% AV</td>
<td>64.95% AV&lt;br&gt;65% AV HSA optional</td>
</tr>
<tr>
<td><strong>Vermont</strong>&lt;br&gt;Nonstandard plans allowed with 71% AV floor in silver&lt;br&gt;Two carriers in market</td>
<td>Gold (81.9% AV)</td>
<td>71.8% AV&lt;br&gt;71% AV HSA</td>
<td>64% AV&lt;sup&gt;1&lt;/sup&gt;&lt;br&gt;61.9% AV&lt;sup&gt;2&lt;/sup&gt;&lt;br&gt;61.5% AV HSA</td>
</tr>
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1. Integrated deductible
2. Separate medical and Rx deductible