

Notes from Standard Plans Working Group Meeting

Nov. 16, 2016

Workgroup leadership

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DC HBX staff

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Attendees

Kate Sullivan Hare: DC HBX executive board member

Dave Chandrasekaran: health care consulting

D.C. Department of Insurance, Banking, and Securities (DISB): Howard Liebers

Aetna: Kelsey Grigsby

CareFirst: Colette Chichester, Robert Metz, Jennifer Storm, Ranaye Weinapple

Kaiser: Pia Sterling, David Wilson, John Xu

United: David Smith, Stephen Chuang

America's Health Insurance Plans (AHIP): Joshua Keepes

Children's Dental Health Project (CDHP): Colin Reusch

Families USA: Lydia Mitts

Follow-up from last meeting

- On Nov. 21, Alexis sent the group updated draft standard plans charts and information on the number of individuals who received cost share reductions enrolled in HSA-compatible plans vs. non-HSA-compatible plans

Discussion of adding HSA-compatible plans

- Leighton reported that DC HBX has received complaints from people who are upset that CareFirst's individual HSA-compatible plans are not being offered for plan year 2017 coverage. He opened the discussion of whether the work group should recommend adding HSA-compatible plans at the bronze, silver, and/or gold level. Leighton stated that there's some interest in having two bronze plans – one plan that's similar to the current standard bronze plan with an AV around 64%, and an HSA-compatible standard bronze plan that would have lower premiums but higher cost-sharing.
- One member expressed concern with replacing an existing standard plan with an HSA-compatible plan, given that HSA-compatible plans only cover preventive services before deductible. The member was comfortable adding an additional HSA-compatible plan at the bronze or gold level. The member worried that an HSA-compatible silver plan would most likely be the second lowest cost silver plan, resulting in reduced premium tax credits overall.
- A carrier was open to adding a second bronze standard plan that is HSA-compatible. The carrier would like to have a non-HSA-compatible bronze plan with an AV of around 65%, and the HSA-compatible bronze plan would have an AV around 58% and have lower premiums.
- One member who expressed support for adding an HSA-compatible bronze standard plan asked for more information on people enrolled in HSA-compatible plans, such as how many enrollees

created HSA accounts. Leighton stated that HSA plans were fairly popular, which was probably due to lower premiums, and there is no way to know how many people opened HSA accounts.

- A member wondered if there is some way to design an HSA-compatible silver plan that's guaranteed not to be the second lowest cost silver plan. A carrier replied that it would be hard to guarantee that. The carrier said the vast majority of people enrolled in its HSA-compatible plans enrolled at the bronze level and not the silver level, which is why the carrier is open to an HSA-compatible bronze standard plan.
- Leighton stated that ultimately DISB figures out the premiums. He said the working group could look at last year's data on how many individuals selected HSA-compatible plans at the bronze, silver, and gold metal levels, and also how many of those enrollees were eligible for APTC. In the District, only about 7% of enrollees are eligible for APTC.
- Kate stated that a member of the public attended the last board meeting to voice his displeasure that his HSA-compatible plan was going away in 2017. She said that while many people selected HSA-compatible plans because they had low premiums, some people selected them because they know how to use an HSA account and use the tax advantages. She said if HSA-compatible plans were popular in the past, they will be popular in the future, and she will continue to advocate them.
- A member expressed support for adding another gold standard plan. The member said that if a carrier is only offering the standard plans, there's a benefit in having two plans to give consumers more choices. A carrier noted that it already offers two gold standard plans – one is a PPO product and the other is an HMO product. The carrier said adding another gold standard plan would increase its gold offerings from two to four.
- **Leighton stated that there's some consensus to adding an HSA-compatible bronze standard plan with a lower AV and having a non-HSA-compatible bronze standard plan similar to the current standard plan with a higher AV.** Since there is a lack of consensus on adding HSA-compatible plans at the silver and gold levels, the working group will discuss this topic again during the next meeting. He asked Mary Beth and Alexis to research participation in HSA-compatible plans offered in the past. Mary Beth said she will ask the DC HBX statistician to get information on APTC-eligible enrollees across metal levels.

Discussion of updating the plan year 2017 standard plans for 2018

Platinum standard plan

- Mary Beth directed the working group members to look at the proposed platinum standard plans and asked if they had a preference of one plan over the others. She said she could ask Tammy to create more alternatives if requested by the working group.
- A carrier asked if DC HBX is looking for input regarding adding another platinum standard plan or modifying the existing platinum standard plan. Leighton replied that DC HBX is looking at substitutions for the current plan. He said the current platinum standard plan falls within the acceptable AV range using the draft 2018 AV calculator, so it could be kept as is.
- A member expressed support for the alternate mid-level plan 1. The member said the plan design and lower copays are more in line with what people expect at this level of coverage.
- A carrier expressed a preference for alternate mid-level plan 2. The carrier feels that this plan is the least disruptive to its members because the only change would be the out-of-pocket maximum, not copays. Mary Beth pointed out that the out-of-pocket maximum would be the same as it is now. She said alternate mid-level plan 1 has lower copays than plan 2, which would probably please enrollees. Another carrier expressed concern about the premium impact. It said the current platinum plan is very rich, so lowering the copays would cause a premium increase.

- A member expressed support for plan 1 over plan 2, but indicated a preference for keeping the current plan.
- Leighton asked if there was consensus on maintaining the current platinum standard plan as is, with no changes. **The working group expressed consensus for keeping the current platinum standard plan.** Two members expressed a preference for alternate mid-level plan 1 but are comfortable with keeping the current platinum standard plan. Leighton said there was consensus for keeping the current platinum standard plan as is, and the working group members will have the opportunity to vote on this again.

HSA-compatible bronze standard plan

- Mary Beth stated that the draft bronze plans assume the 65% AV in the proposed payment notice is finalized.
- A carrier expressed support for the lean bronze HSA-compatible plan and one bronze plan that looks like the existing bronze standard plan. Leighton stated that the lean HSA-compatible bronze plan has a \$7350 deductible and a \$7350 out-of-pocket maximum, so the consumer would be responsible for non-preventive care until \$7350. The rich HSA-compatible bronze plan has a \$5,000 deductible and 20% coinsurance.
- Another carrier said it preferred a lean HSA plan with a slightly lower deductible. Leighton responded that he will ask Tammy to develop an HSA plan somewhere in between the lean HSA and the rich HSA plans, with an AV around 60% and a deductible between \$5,000 and \$7350.
- Kate pointed out that since HSA-compatible plans prohibited embedded deductibles, people with family coverage would have to pay thousands of dollars before the carrier pays for coverage. She said families would be unable to set aside the amount of money they needed in an HSA account because it would exceed the permitted amount. She asked if HSA-compatible plans are popular with people buying individual coverage for themselves and if those enrollees keep coverage for 12 months.
- A carrier responded that historically the individual market has served mostly individuals without dependents. An HSA-compatible plan would not be a family's first option; many families choose plans with lower deductibles. Many people who buy HSA-compatible plans use them as catastrophic coverage, and many people purchase HSA-compatible plans when they age-out of eligibility for catastrophic plans. The carrier stated that there is a market for HSA-compatible plans, but it's not the market for everyone.
- Leighton stated that the working group will continue this discussion after asking Tammy to add a mid-range HSA-compatible plan to the draft updated standard plans tables.

Bronze standard plan (non-HSA-compatible)

- Mary Beth explained that the group will need to recommend a new standard bronze plan because the existing bronze plan fails the draft 2018 AV calculator. Tammy's charts assume that the 65% AV in the proposed payment notice will be finalized as proposed.
- One member said it would be difficult to form an opinion on the standard bronze plan without knowing what the HSA-compatible bronze plan looks like.
- Another member drew attention to the \$100 copay for specialist visits as being abnormally high. The member was concerned that it may discourage people from seeking care.
- Mary Beth said she will ask Tammy to come up with alternatives. The specialist visit has a copay of \$50 in the standard plan, so we will ask her to develop alternatives that are less than \$100.

Discussion of renaming pediatric dental benefits

- Mary Beth explained that the Standard Plans Advisory Working Group chose to describe pediatric dental benefits using the same nomenclature as Covered CA when DC HBX created standard plans. Covered CA has changed its description to show that benefits fit into tiers 1, 2, 3, or 4, and Mary Beth suggested changing DC HBX's pediatric dental benefit description to align with Covered CA. She asked Colin if he could speak to whether the Covered CA description is similar to what he's seen in his experience.
- Colin stated that it is typically the common breakdown of benefits he's seen. He said that there's some variation on what category specific services fall into across marketplaces and states, depending on which benchmark is being used.
- Mary Beth said this isn't a big issue because the standard plans grid is a document for us and not for consumers. Since Colin believes it's appropriate and in line with what he typically sees, Mary Beth asked if the working group agreed to change the nomenclature to align with Covered CA's description.
- A carrier asked if changing the nomenclature changes any of the underlying guidance on cost-sharing for pediatric dental benefits. If it does change cost-sharing amounts, it will impact plan design. Mary Beth replied that it would not change the underlying cost-sharing.
- Colin said the issue is really about the categories themselves. He said the chart is a little confusing because it looks like services are being compared. Mary Beth said he's right and that they shouldn't be compared; the chart is more of a mark-up, and she wanted to focus on the four categories.
- Leighton said to bear in mind that at least based on Tammy's charts, there's a large category of child dental basic services and there are different copay limits for each service. A root canal is \$512 copay. If we shift to new categories, you're saying still would have same copay for root canal. If we're talking about keeping those copay levels the same and this isn't what consumer is seeing, then I'd say we should leave it how it is now.
- Mary Beth said he's right, there are different copays. She asked if Colin has seen copays for specific services in the past. Colin said he's seen that sometimes, but typically not in states with standard plans. Usually he sees cost-sharing percentages based on the category of services, not different cost-sharing on the individual services within each category. A carrier added that it's also seen cost-sharing based on categories in the past and not copays for each individual service like we have now.
- Mary Beth said she'll work with representatives from two carriers on this issue and see if they can come to agreement on how these benefits should be displayed with the least disruption. She said the description doesn't have to change because the standard plan grid is just for us and isn't a consumer-facing document.
- A member asked whether a plan that offers adult dental would have to display its dental benefits in the same categories as the pediatric dental benefits in standard plans. Mary Beth said no because there's no adult dental in standard plans, and the standard plans only have pediatric dental coverage to meet the essential health benefits requirements.

Follow-up for next meeting

- Tammy will update the charts to include a mid-range HSA-compatible bronze plan and lower specialist copays at the bronze level
- DC HBX will ask statistician for information on past enrollment in HSA-compatible plans by metal level and APTC eligibility
- DC HBX will discuss pediatric dental renaming with two work group members representing two carriers

Consensus

1. The working group recommends adding a second bronze standard plan that is HSA-compatible. The working group recommends that the HSA-compatible bronze standard plan have a lower AV than the non-HSA compatible standard bronze plan.
2. The working group recommends maintaining the current platinum standard plan as is without any changes.

Outstanding issues

1. The plan design for the HSA-compatible bronze standard plan.
2. The plan designs for the standard bronze, silver, and gold levels.
3. If HSA-compatible plans should be offered at the silver and/or gold level.
4. If DC HBX should update the description of pediatric dental benefits in its standard plans.
5. If DC HBX should use the "Simple Choice" naming convention.