

Notes from Standard Plan Working Group Meeting

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Workgroup leadership

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Leighton outlined the three main issues the group should address:

1. Update the current standard plans in the individual market for plan year 2018 and review the federal standard plans.
2. If the market is moving towards offering standard plans only, do we need to develop more than one standard plan? Our initial development was in the context of a broad array of plan offerings.
3. Should we have standard plans in SHOP? There are policy considerations that are different from the individual market.

Updating the current standard plans in the individual market

- Leighton conducted a preliminary analysis of DCHBX's PY16 standard plans using the recently released draft PY18 AV calculator, which indicated the AVs for the gold and silver standard plans are too high, while the AV of the platinum standard plan is a little low. DCHBX actuaries will do a deeper analysis on the calculator's impact on the standard plans to discuss on the next call.
- Mary Beth reviewed DCHBX's PY17 platinum standard plan and noted the proposed changes, which she will circulate to the group after the call. Some of the benefit categories in DCHBX's standard plans do not align with the benefit categories considered in the federal rules. DCHBX's benefit categories were based the benefit categories in Covered California's standard plans, and Mary Beth noted that since Covered California has amended its benefit categories, the group may want to revisit DCHBX's.
- Mary Beth said DCHBX has heard from consumer groups that want specialty drugs to be subject to a copayment instead of coinsurance in the standard plans. Currently only the platinum standard plan has a copayment (\$100), while the bronze, silver, and gold standard plans apply coinsurance (50%, 20%, and 20%, respectively).

Should there be more than one standard plan in each metal level?

- In addition to updating the current standard plans, Leighton asked the group to consider if DCHBX should increase the number of standard plans. He told the group he would welcome ideas, and he suggested multiple standard plans at the gold and silver levels and a standard HSA plan as examples.

Should we have standard plans in SHOP?

- One carrier reasoned that SHOP standard plans aren't necessary since employers have brokers to explain the differences between plans. Others noted that not all employers use brokers, and employees of employers that have opted to have "employee choice" don't have the benefit of broker advice. (Employee choice is when an employee may choose all plans from a single carrier or a certain metal level from all carriers.)

Follow-up

- Mary Beth will send a comparison of DCHBX's PY17 platinum standard plan to Covered California's PY17 platinum standard plan; the sections in the PY18 Notice of Benefit and Payment Parameters proposed rule that address standardized plans and bronze plan flexibility; the percentage of employees in employee choice on SHOP; and premium information for standardized vs. non-standardized plans in the individual market.
- DCHBX actuaries will run the draft AV calculator on PY17 standardized plans and make some recommendations for feedback from the group.