From: Scharl, Peter <Peter.Scharl@oliverwyman.com>
Sent: Friday, September 17, 2021 9:05 PM
To: Senkewicz, MaryBeth E. (DCHBX) <marybeth.senkewicz@dc.gov>; Tomczyk, Tammy <Tammy.Tomczyk@oliverwyman.com>
Cc: Adomshick, Mary <Mary.Adomshick@oliverwyman.com>; Libster, Jennifer (DCHBX) <jennifer.libster@dc.gov>
Subject: RE: High/Low Value Services

Mary Beth,

Attached is an Excel file which summarizes which NDCs reach the 80% concentration threshold, column C, and the 90% concentration threshold, column D. While we based our approach solely on NDC for this initial exercise, the actual approach would likely want to be consistent by drug type, which is in column E, such that all NDCs for a given drug type either are or are not provided at $0 member cost share. For example, we believe you would want to either include or exclude Humalog, and not include certain dosages or packaging of Humalog while excluding others.

If the threshold for drug concentration was raised from 80% to 90%, the calculated metal AV would decrease from 72.47% to 72.14%, which is a change of 0.33%, and would result in only a 0.19% increase over the metal AV for the current standard silver plan which has a metal AV of 71.96%.

For the impact of moving the low-value services to 50% cost sharing, we assumed that this would only occur after the deductible has been met, if applicable. The main service identified as low-value was spinal fusion, which is subject to a $4,000 deductible and 80% coinsurance. The impact of moving the previously identified low-value services to 50% cost sharing after the deductible only changed the calculated metal AV when using 90% for drug concentration from 72.14% to 72.10%, which is a change of 0.04%.

If there are any questions or anything you would like to discuss further, please let us know.

Peter Scharl, FSA, MAAA *He/Him/His*
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A business of Marsh McLennan

From: Senkewicz, MaryBeth E. (DCHBX)
Sent: Tuesday, September 14, 2021 1:33 PM
To: Tomczyk, Tammy <Tammy.Tomczyk@oliverwyman.com>
Cc: Scharl, Peter <Peter.Scharl@oliverwyman.com>; Adomshick, Mary <Mary.Adomshick@oliverwyman.com>; Libster, Jennifer (DCHBX) <jennifer.libster@dc.gov>
Subject: RE: High/Low Value Services

Question – in connection with your work to identify Rx and application of the 80% standard, did your work result in a list of Rx? If yes, we'd like to see it, and then compare it to a list of Rx when you apply the 90% standard – i.e. see what drugs get dropped off the list.

Thanks, MB

From: Senkewicz, MaryBeth E. (DCHBX)
Sent: Tuesday, September 14, 2021 1:16 PM
To: Tomczyk, Tammy <Tammy.Tomczyk@oliverwyman.com>
Cc: Scharl, Peter <Peter.Scharl@oliverwyman.com>; Adomshick, Mary <Mary.Adomshick@oliverwyman.com>
Subject: RE: High/Low Value Services
Importance: High

Please go ahead and run the AVC at 90% (versus 80%), and add in the low value services at 50% cost-sharing as I suggested at the end of the meeting. So we can see how much less offset we'll need. Thanks, MB