Standard Plans Advisory Working Group February 22, 2022

Standard Plan WG Members and Attendees

Robert Metz**,** Dwayne Lucado, Cory Bream, Greg Sucher – CareFirst BlueCross BlueShield (CF)

Allison Mangiaracino, Sam Ongwen, Stephen Chuang, Denise Barton, Theresa Young – Kaiser Permanente (KP)

Keith Blecher, - UnitedHealth Group

Peter Scharl – Oliver Wyman

Mary Beth Senkewicz, Jenny Libster, Katie Dzurec – HBX Staff

Diane Ricciardi, Bryan Connole, Joni Weber, Stevan Sobrasevic, Joanna Kluza, Chelsea Bishop – Aetna

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Meeting Notes

MB: Aetna has asked several members to join the group because we now have standard plans for small group in 2023.

To kick the meeting off, I sent out a message from the Chair to the members of the work group. I will read that aloud in case you have not seen it yet:

> Sent of behalf of Chair Dania Palanker:
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> I have to miss today's meeting and am sorry I can't be with you given the short time frame to finalize plan designs. I wanted to provide this overview of the decisions the group needs to make today.
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> We have a short timeframe to finalize plan designs before the March 9 board meeting, so it is important for the group to at least coalesce around a framework for each tier, if not one of the current plan design options provided by Peter or Carefirst.
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> For Gold, the group felt last week we had good options, so the decision needs to be whether to increase the MOOP as in Alternative 1 or CareFirst Option A or to increase some copays as in Alternative 3.
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> Silver is the most difficult as there needs to be a very significant change made this year. We have three main questions that I hope the group can come to an agreement on today. These questions are:

1. How high a MOOP is acceptable for silver?
2. Besides any change to the MOOP, should we spread the increase across all services or should we limit the increased cost-sharing to services the deductible applies to (including inpatient services, outpatient surgery, and skilled nursing) by increasing only the deductible and coinsurance?

3. If we spread out the increases in cost-sharing, are there some services that should have no increase or a lower increase in copay?
   Finally, we do not need to make changes to Bronze this year, but given how high the copayments have risen over the years on office visits, I asked Peter to calculate some options for increasing the MOOP and lowering office visit copays. We have a few options from Peter and Carefirst to consider and need to decide:

   1. Do we want to increase the MOOP to reduce other cost-sharing?
   2. If we increase the MOOP, do we want to use the flexibility to reduce cost-sharing on PCP and specialist visits (including mental health and substance use office visits) or reduce the medical or Rx deductibles as in Carefirst Options A, C and D?

MB: Let us get started. Peter, please share your screen with the most recent spreadsheet, and I received a further note from Dania for each as we go through the various levels/tiers.

Peter: {Gold Compare worksheet displayed}.

MB: From Dania:

> Gold:
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> I think we all agreed last week that Alternative 2 does not meet the goals of HBX or that this group has worked towards over the years with such a high deductible for Gold. I therefore think we are deciding between putting all of the increase in MOOP as in Alternative 1 or Carefirst Option A or increasing copayments as in Alternative 3.
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> I think the MOOP is low enough in Gold that we can put all of the increase there so that the plan is almost identical to this year. But I also urge the group to consider Alternative 3 as a way to protect those with the highest costs and spread the increases out over a larger portion of enrollees. The copay increases in Alternative 3 are relatively small. Except for people who are high emergency department utilizers, Alternative 3 is likely to have a minimal increase over the entire year. For example, a year of weekly mental health visits would be only $60 higher under Alternative 3.

Those are Dania's notes for gold. We had talked about whether we increase one thing, like the MOOP, or do we "spread the pain" – like Dania said, raising the MOOP for $5 for some services. Let's start with Gold. Discussion?

Theresa (KP): Immediate reaction is for Alternative 1 to increase the MOOP and leave other cost-shares as they were. Particularly with physician fee for surgery – does trying to keep that lower in terms of more aligned with what the fees actually would be – I don't know. It's not a huge increase, but it's bigger, and consumers will feel the small increases for PCP and specialist – maybe not acutely. But they won't feel the increase in MOOP because most people don't hit their MOOP.

MB: Anyone else? Other carriers? Cheryl?

Cheryl: People in the hospital almost always hit their MOOP. Trying to imagine who is hitting the MOOP.

Joni (Aetna): I would agree with the previous comments regarding Alternative 1. I would also add that it's easier to explain one change versus trying to explain multiple changes.

Rob (CF): We included $50 higher MOOP for flexibility in AV window because of VBID because there may be differences in actuarial opinion to a greater degree than there was before.

MB: Confirm.

Rob: another $50 on MOOP to provide flexibility.

MB: Cheryl, can you live with that?

Cheryl: I can. So this is $800 more for people who do hit the MOOP. Do we have some ideas about where that is more likely to hit people? Is it hospital costs, or people with diabetes within the district?

MB: Does anyone know? Peter had done some modeling – can you briefly explain what you found as far as people who hit the MOOP?

Peter: Looked at the current gold plan design using current pricing model using continuance table to determine AV so we can see what percentage of members would hit OOP Max. A similar continuance table is available in the AV calculator, but not as clear as to what rows would hit the OOP Max in that instance. By combining those two sources, we got a range of about 2-4% of members hit the MOOP, but detail about what types of services was not available, especially diabetics, that would take a fair amount of information to get at.

Cheryl: If it's just 2-4%, that's probably the best alternative.

MB: Looks like there is consensus around CareFirst Option A. Only change is to raise MOOP to $5,800. We have reached consensus on our first metal level. Let us go with CareFirst Option A for gold.

Not sure whether to do Silver next or Bronze. There are so many options under Silver.

Theresa (KP): I had a thought about Silver. Maybe we should do Bronze first, but when we decide to look at Silver, should we decide which plans to eliminate? What columns should we hide? It aligns with what Dania had said. I would propose eliminating plans with a deductible that is higher than we are comfortable with – whatever we decide that is. Then hide any plan that, decide that we want to eliminate plans that increase the PCP visits. I think that is in line with what Dania had to say.

MB: From Dania

> Silver:
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> I have concerns with significant increases in the MOOP for silver. The Silver MOOP is a lot higher than Gold so I think it is a very different decision to raise the MOOP significantly on Silver. (MB side note: we did just raise it a little on gold). A major goal of the ACA was to reduce medical bankruptcy. The MOOP plays a vital role in limiting patient liability when there is a medical catastrophe. The Silver MOOP is already extremely high and I don't feel it fits the goals of the ACA or HBX to raise it close to or above $9,000. I also think we should have a lower MOOP on

silver than on bronze, because the implied promise of better protection between the tiers should apply to the most catastrophic conditions.

As far as the other changes to consider on silver, I lean towards spreading increases across all or most cost-sharing. There is a significant enough change required this year that it seems to me that it's too much to apply to only the portion of enrollees who will go above the deductible. So I would encourage the group to consider something along the lines of Alternative 4. In doing so, I also encourage the group to talk through whether there are certain copays in Alternative 4 that we should try and lower in exchange for a slightly higher deductible. Specific services I would consider are emergency department, because it is such a high copay, and both PCP and specialist office visits.

MB: We just raised the MOOP to $5,800, but how much are we comfortable in raising the deductible. I would suggest Alternative 1 is $6,250, and in my view, and I'm pretty sure in Dania's view, that is too high.

Rob: Can I point out one other structural issue? We do not want to dislodge the MOOP or the cost-sharing between silver and bronze. The way it's set up, there will be several co-payments that are higher than bronze, e.g., speech therapy, OT/PT, x-rays, diagnostic imaging, that dislodging should hold more structurally throughout the entire plan, not just focusing on the MOOP.

Theresa: we need to run the CSR plans to make sure the CSR73 can flow from the base plan. Base plan has had to be changed in other jurisdictions because some just won't work with a CSR73. Once we decide on the top three, we need to run the CSR73 to make sure it fits.

Rob: We have had similar issues.

Cheryl: I would urge us to look at drug deductible. I'm concerned that the increases hit people hard if they are taking preferred brand drugs, because they have to pay it all at once.

MB: {Peter displaying silver worksheet} The current deductible is $4,000 for medical and $250 for Rx.

Cheryl: It looks like CareFirst B, C, D are pretty hefty deductible increases. Do we want to eliminate those, and Alternative 1?

MB: I see what you're saying, especially on drug deductible. Can we eliminate those for the moment and see what we are left with?

Peter: {options hidden on worksheet}. The other highest options are H and I.

MB: I doubt our Board would allow us to raise the silver MOOP to the maximum of $9,100. They just won't go for that because that is the maximum, and that will be issued on Bronze. Let's also eliminate the $9,100 options. That takes a lot out.

Theresa: The difference between $9,100 and 8,850 may not make a significant impact on avoiding bankruptcy (as Dania noted). I'm not advocating for raising to $9,100, but I'm not sure we are making a difference in outcomes at $8,850 and $9,100.

MB: Let's look at $8,450, which is Alternative 4.

Katie: Alternative 4 has a $150 increase on Rx deductible.

Cheryl: That seems high to me.

Rob: Alternative 4 has dislodging on several benefits where you're going to back to Silver having a less-beneficial cost-sharing structure on several benefits because of how much we have increased cost-sharing on certain benefits to get the lower levels of deductible and MOOP.

MB: Running through cost-shares for existing Bronze: primary care is $60, Specialist is $125, x-rays and diagnostic imaging is $80, lab $55, CT/PET $500.

Theresa: we are going to change those, right? Maybe we need to decide on Bronze first and then go back.

MB: That's a good point so we can do an apples-to-apples comparison.

Peter {display to bronze worksheet}

MB: From Dania:

> Bronze:
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> I have been thinking for a couple of months that it makes sense for us to reassess both PCP and specialist visit copayments. The reality is that many people are paying the full amount of their visit with such high copay levels and I would like to see that lowered. I know that counters some of my arguments for keeping the MOOP lower in silver, but the reality is we have very few options in bronze. I think we've moved away from our goal of having pre-deductible services with such high copays.
>
> As much as I want Rx to also be more affordable, I lean towards focusing on reducing PCP and specialist visits so people can afford office visits and because that also includes lowering mental health and substance use treatment office visits which are vital services to make affordable right now.

Theresa: that speaks to Alternative 1 on Bronze – that's the one she's advocating, if I am hearing it clearly.

MB: Yes, that lowers PCP from $60 to $45 and the specialist from $125 to $105 and office visits are the same for mental health and substance abuse. Alternative 1 – it's 64.91% so it gives wiggle room. CareFirst B does that in a different way – it lowers office to $55 and the specialist to $85.

Rob: if people like Option 4 in Silver, we could try to increase some other benefits to push them at or above Silver levels, to go the other direction with the issue. Structurally, we feel as though focusing on lowering pre-deductible services in line with this commentary to be most beneficial – the higher deductible limits and the higher MOOP, while we don't want them to be dislodged from Bronze, would impact fewer consumers.

MB: We need to look at everything side-by-side at the end of this – Platinum, Gold, Silver, Bronze – to make sure we're doing what we want to do. How does that translate? Does Alternative 1 fit in with your thinking?

Rob: That is directionally going where some of our suggestions were going – to reduce PCP and specialist. $125 for a specialist may not really be a benefit. Defer to product and actuarially team on how to get that most effectively done.

MB: That leads us back to Alt 1, but CareFirst B does lower the office visit by $5, but it lowers specialist by $40. Any thoughts on that?

Theresa: I was thinking about the difference between Alternative 1 and CareFirst Option B, between those two, I would still advocate for Alternative 1 because if we are doing something to encourage people to see their PCP, that will have the most impact on their overall health.

MB: Knowing that we have to go back and look, let's go with Alternative 1, and Option B could be a back-up, knowing that we have to look internally to make sure everything matches up.

Cheryl: That works for me.

Rob: That works for CareFirst.

MB: We are recording, so we can make our notes and get everything posted, and then write our reports. We are down to 1 and B. Let's go back to Silver.

Peter: {display silver worksheet}

MB: Silver Alternative 4 was Dania's "spreading the pain." Which has office visits at $50, which is between the $45 and $55 of the bronze options.

Cheryl: Isn't specialist too high? Didn't was say $85 for specialists?

MB: Alternative 1 is $45 for office visits and $105 for specialist, for Alternative B $55 and $85. So on bronze, the highest of the two alternatives, the specialist is $105 at the highest. In that sense, that would eliminate Alternative 2 just due to specialist copay. To Theresa's earlier point, she's not certain that $8,850 and $9,100 really matters in impact. So that points toward Alternative 4, where we only raise the MOOP by $200.

Rob: now also going to have a PCP that's higher than Bronze because PCP is $50, and bronze is $45. This is pointing out that there needs to be more movement in the deductible. Higher cost-sharing on the interior benefits needed to force it into the AV range.

MB: Good points.

Cheryl: We also want drug deductible to come down. If we're going to raise it, would rather see it raised $50 and not $150.

MB: It sounds like the closest is option G, which is $100 increase in drug deductible. So is I. But there is no option at $300 for drug deductible. On PCP, if we're at $45 on the Bronze is lowest, the back-up is

$55 on PCP. So CareFirst Option, if we're thinking of the back-up at $55 for Bronze, the back-up on Bronze is making it a little more difficult.

Peter: with the current Bronze that we're looking at, the only Silvers that would satisfy the structure are G and I.

Cheryl: G is the lowest of the deductible. What are the other differences?

Peter: lower deductible, lower MOOP, higher PCP and mental health.

Cheryl: If we lowered the mental health and PCP, then we would be forced to raise the deductible up to the $4,850.

MB: Or $4,800 on G. I on Silver is bringing the PCP out of whack with bronze. No, it was $45 and $105, and $55 and $85 was the back-up. Going back to Silver, Option G and I are knocked out because the specialist is $80.

Peter: G would only work with Bronze B. Option I would work with either of the two Bronze options.

MB: G raises the MOOP to $8,800, only raised Rx deductible by $100 instead of $150.

Cheryl: We would need to poll Dania on this because she was interested in keeping the MOOP low but also keeping mental health visits lower. Seems like we are choosing between the two here.

Theresa: It seems like we need to pull Option 3 back in. Is the $9,100 MOOP much of a difference? People are more likely to hit their deductible and not their MOOP. Look at Alternative 3 compared to G and I – is it maybe be a better trade-off?

MB: How are we going to sell the $9,100 MOOP to the Board.

Cheryl: Alternative 3 has a higher pharmacy.

MB: That's too high on the pharmacy.

Theresa: No good options.

MB: No good options.

Diane: CareFirst option I gives you a lower PCP, mental health is lower, which is attractive at this point because of COVID, etc. That looks like a pretty strong option.

MB: Option I does work with Bronze 1.

Peter: correct, it works with Bronze 1 and Bronze B.

Katie: Structurally, as we get into PT/OT/ST and lab, do the copays fall out of where we want the structurally? $65 copays vs. bronze options with $50 copays?

Rob: Those are subject to deductible in Bronze and not in Silver, so those benefits are going to be less relevant.

MB: Good point, because you have to go through the entire deductible.

Rob: Particularly important to look at PCP and specialist.

MB: Back to Cheryl's point, we said Options G and I can work with the bronzes. I works with both, G works with Bronze B.

Peter: Correct.

Cheryl: I'm comfortable with either, I would vote for I, but we should poll Dania before we make a final decision.

Theresa: One practicality, we have to run the CSR73 to make sure we can make the plan flow.

MB: Can you run both G and I and see what happens? We don't do CSR, so OW doesn't do this for us.

Theresa: From a regulatory perspective, the cost-shares have to flow.

MB: We do understand that the carriers need to make it work. Option G and Option I for Silver; Bronze 1 and Bronze 2. Peter, please send out the workbook with hidden columns. We did coalesce around the Gold, and we are down to two options on Silver and two options on Bronze. We will do some internal work, and look at internal structure, and then next week, because the Board meeting is March 9, hopefully we can finalize, even though the cost calculator is not final.

A few years ago, we had to rerun after the final cost calculator came out. Carriers will look at CSR73 flow. We will consult with the chair, and then when we convene next week, we can make final decisions. Thanks, everyone. Unless there are other comments, we'll talk next Tuesday, same time.