

Notes from Standard Plans Advisory Working Group Meeting
Feb. 21, 2018

Workgroup leadership

Dania Palanker, Chair

DC HBX staff

Mary Beth Senkewicz

Alexis Chappell

Actuarial consultants – Oliver Wyman

Ryan Mueller

Attendees

Cheryl Parcham: Families USA

CareFirst: Robert Metz, Jennifer Storm

Kaiser: Pia Sterling, Renee Vis

UnitedHealthcare: John Fleig

NAHU (National Ass'n of Health Underwriters): Marcy Buckner

Discussion of gold standard plan

- Mary Beth directed the group to look at the document titled “Standard Benefit Plan Possible Changes 2 21 2018” (pdf). The Gold Alternative 1 plan increases the maximum out of pocket (MOOP) from \$3500 to \$4000 and increases the copays for emergency room services and emergency medical transportation from \$250 to \$300. These changes put the Gold Alternative 1 plan within the *de minimis* AV range (81.94%).
- Dania asked the carriers if they know of research on at what point the high the cost-sharing for an emergency room visit becomes so high that people who have true emergencies forgo care. She stated that she does not want someone who’s having signs of a heart attack or an asthma attack to not go to the emergency room because they’re worried about the bill. A carrier stated that he did not have that data readily available; however, he noted that the copay for an emergency room visit is waived if the person is admitted to the hospital, so a person experiencing a very serious medical emergency that requires an inpatient stay would not need to pay the emergency room copay. Another carrier noted that its gold plans in Maryland and Virginia have a \$300 copay for emergency transportation and emergency room services and they haven’t seen people forgo care because of it. The carrier was generally supportive of the changes, but expressed concern that the AV was just barely in range. The carrier said there may be minor differences in how its actuaries plug in the data, so while they wouldn’t expect a dramatic difference in AV when the carrier runs the calculator, it might be safer to lower the AV slightly just to make sure the plan is within the *de minimis* range. Another carrier said the increase in the copays for emergency transportation and emergency room services doesn’t pose a problem for it.

Discussion of silver plan

- Mary Beth said that the Silver Alt 1 plan encompasses the changes she suggested last week – increasing the MOOP from \$6250 to \$7250, the copay for X-rays and diagnostic imaging from \$70 to \$80, and increasing the copay for emergency transportation and emergency room services from \$250 to \$350. However, those changes did not bring the plan within the *de*

minimis range. The Silver Alt 2 plan raises the MOOP to \$7300, which brings the plan within *de minimis* range.

- A carrier expressed concern about raising the copay for X-rays and diagnostic imaging to \$80. The carrier said it wanted frequently used services to be accessible and thought an \$80 copay could give consumers sticker shock. Mary Beth said the copay was raised in response to the group's discussion last week. She stated that the MOOP is being raised \$1,050 and asked Ryan Mueller (Oliver Wyman actuary) what further increase to the MOOP would be necessary to keep the X-ray copay at \$70. Ryan estimated an additional \$750.
- Mary Beth suggested raising the copay for X-rays to \$75 instead of \$80. A member asked what other types of services fall into the "X-rays and diagnostic imaging" category. Alexis replied that there's a separate category for MRIs and CT scans, so those aren't included in this category. She stated that diagnostic imaging can include services like ultrasounds of the heart.
- A carrier suggested that instead of raising the copay for X-rays, increasing the copays for emergency transportation and emergency room services \$25 to \$375 and raising the MOOP slightly. The carrier said that people look at the cost-sharing for services such as specialist office visits and X-rays when they're shopping for coverage. A member said she would not increase the copays for emergency transportation or emergency room services.
- A carrier said that if the goal is to impact the smallest number of consumers, then they should increase the MOOP because fewer people will meet it compared to the number of people who will use services that may have increased copays. Dania said that even though a small number of people hit the MOOP, the MOOP should be kept as low as possible for them. A person who receives one X-ray probably won't hit the MOOP, but someone who uses multiple X-rays or diagnostic imaging might.
- Mary Beth asked the group what changes they would like the actuaries at Oliver Wyman to model. One carrier suggested a \$250 increase in the deductible (bringing the deductible to \$4000) as an alternative to Silver Alt 2. A member disagreed with that suggestion, stating that by leaving the deductible at the current level, it guarantees that enrollees aren't spending another \$250 on things like X-rays and diagnostic imaging. The carrier noted that X-rays and diagnostic imaging are pre-deductible services. Mary Beth said she would ask Oliver Wyman to model the \$4000 deductible and keep the \$70 copay for X-rays and diagnostic imaging.
- Dania said she was worried about increasing the copays for emergency transportation and emergency room services greater than \$350. A member asked that since the emergency room services copay is waived if the person is admitted, could carriers add other reasons for which the copay could be waived. Mary Beth stated that it wasn't feasible for the working group to require that at this point in time, and it is industry practice to waive the copay if admitted. A carrier said that if the group wanted other waivers to be put into place, it would be a huge implementation lift for the carriers because it would require recoding their systems.
- Mary Beth asked for any further suggested changes for Oliver Wyman to model. A carrier suggested one scenario in which both the deductible and X-ray copay increased, and another scenario in which the MOOP increased to \$7400 and the X-ray copay stayed at \$70. Dania suggested modeling a \$4000 deductible with the X-ray copay staying at \$70, along with a scenario with a \$3750 deductible and increasing the X-ray copay to \$75.

Discussion of bronze plan

- Mary Beth stated that Bronze Copay Plan Alt 1 takes into account the changes requested after the last meeting, but unfortunately it's not within the AV range. Bronze Copay Plan Alt 2, which

is within the AV range, increases the deductible to \$7250 (a \$625 increase), the MOOP to \$7850 (a \$500 increase), and the specialist copay \$80 (a \$5 increase).

- A member expressed concern with the amount of the deductible increase and thought it would be problematic for the sale of the plan. The member asked if there were other changes that could be made in lieu of the deductible increase. A carrier asked if increasing the coinsurance could allow the deductible increase to be lower. Another carrier replied that it probably would have minimal impact on AV compared to the deductible since almost all of the services are subject to the deductible and the deductible is so close to the MOOP.
- A member asked how much copays would have to be increased to get the deductible to an acceptable level. A carrier asked the member if she thought certain benefits would cause sticker shock, or if she was concerned about the plan as a whole. The member replied that she thinks people will be alarmed by the increase in the deductible. Another member said that the increase is shocking, but that it's because HHS put in significant increases in medical costs in the 2019 AV calculator. The member says that while sticker shock is a concern, the reality is that many people who met a \$6850 deductible would also meet a \$7250 deductible. The member said they should try to balance the number of people who would be affected by that change with the concern that some people will see the high deductible and decide to forgo coverage.
- Mary Beth reminded the group that the standard bronze HSA plan has a deductible of \$6200, so there is a lower deductible bronze plan available. The bronze copay plan is the richer of the two plans. Plan Year 2018 is the first year in which there are two standard bronze plans. Mary Beth said that the 2018 bronze copay plan, which has a \$6600 deductible, has close to 2,000 people enrolled in it, and about 1400 to 1500 people are enrolled in the bronze HSA plan.
- Mary Beth asked the group for additional suggestions for Oliver Wyman to model. A carrier suggested increasing the MOOP to \$7900 with a lower deductible. Mary Beth said she would pass that along and recommended that the carriers have their actuaries run the plans through the AV calculator after the February 27th call.