

February 22, 2023

Changes to standard Gold Plan due to 2024 Draft AV Calculator

Options from Oliver Wyman

The standard Gold plan is outside the de minimis range of the Draft 2024 AV Calculator. We have created a few initial options on plan design changes which would bring the Gold plan to the current metal AV of about 81.9%. Three options are summarized below:

1. Increase the Maximum Out-of-Pocket (MOOP) amount from \$5,900 to \$6,500 (+\$600)
2. Increase the Outpatient Surgery Physician/Surgical Services copay from \$75 to \$125 (+\$50), going back to the Maximum Out-of-Pocket (MOOP) amount of \$5,800.
3. Increase the MOOP from \$5,900 to \$6,100 (+\$200) and increase the Outpatient Surgery Physician/Surgical Services copay from \$75 to \$100 (+\$25)

It appears to be a quirk in the AV Calculator that increasing the Outpatient Surgery Physician/Surgical Services by only \$50 has as much impact as increasing the MOOP by \$700 as that would likely not be the case in actual pricing. Option 2 would likely have the least impact on plan pricing as well as impacting the fewest members. If there are any questions or if there are additional options you would like us to run, please let us know.

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Additional Gold plan options developed after the 2-14-2023 SPWG meeting

1. Gold Options to bring AV within de minimis range (Working group request)
 - a. We have modeled three alternative scenarios to bring the AV into the de minimis range based on the discussion from earlier this week – these options are listed below
 - i. **Option 4:** Keep the MOOP amount at \$5,900 and increase the Outpatient Surgery Physician/Surgical Services copay from \$75 to \$110 (+\$35)
 - ii. **Option 5:** Keep the MOOP amount at \$5,900, increase the Outpatient Surgery Physician/Surgical Services copay from \$75 to \$110 (+\$35) and increase the Inpatient copay from \$600 to \$650 (+\$50)
 1. This option ensures that the combined OP surgery copay is less than the inpatient copay
 - iii. **Option 6:** Decrease the MOOP amount to \$5,800 (-\$100), increase the Outpatient Surgery Physician/Surgical Services copay from \$75 to \$125 (+\$50) and decrease the Outpatient Facility copay from \$525 to \$475 (-\$50)
 1. This option ensures that the combined OP surgery copay does not change
 - b. We recommend going forward with Option 6. This option should have the least impact to members and addresses the concerns voiced on the call regarding the high combined OP surgery copay since the combined copay (\$600) is unchanged from the current plan design.

Option from Kaiser Permanente – shared after the 2-14 meeting

There is a quirk with the AV calculator, where the OP Surgery Facility cost share has a threshold where increases above it stop having an effect of raising the AV. It appears this threshold is somewhere around \$200.

Instead of keeping the OP Facility at \$525, DCHBX could lower the OP Facility by quite a sizable amount and make up for this difference in the Professional benefit instead. The example shown is a \$200 Facility and \$125 Professional, which would easily pass the AV requirement. If reducing the overall OP Surgery by almost half is too big of a change (causing a premium increase) there could be a split that still results in a \$600 total, or maybe a slight reduction, such as \$300/\$200 between Facility/Professional.

Oliver Wyman Analysis of KP Option

We ran a few additional scenarios based on Allison's email. The scenarios are summarized below.

- **Option 7** - Decrease the MOOP amount to \$5,800 (-\$100), increase the Outpatient Surgery Physician/Surgical Services copay from \$75 to \$125 (+\$50) and decrease the Outpatient Facility copay from \$525 to \$200 (-\$325)
 - This option decreases the combined OP surgery copay from \$600 to \$325 (-\$275) from the current plan design
 - This results in a metal AV of 81.87% which is within the de minimis range
- **Option 8** - Decrease the MOOP amount to \$5,800 (-\$100), increase the Outpatient Surgery Physician/Surgical Services copay from \$75 to \$200 (+\$125) and decrease the Outpatient Facility copay from \$525 to \$300 (-\$225)
 - This option decreases the combined OP surgery copay from \$600 to \$500 (-\$100) from the current plan design
 - This results in a metal AV of 81.87% which is within the de minimis range
- **Option 9** - Decrease the MOOP amount to \$5,800 (-\$100), increase the Outpatient Surgery Physician/Surgical Services copay from \$75 to \$125 (+\$50) and decrease the Outpatient Facility copay from \$525 to \$375 (-\$150)
 - This option decreases the combined OP surgery copay from \$600 to \$500 (-\$100) from the current plan design
 - This results in a metal AV of 81.87% which is within the de minimis range

It appears that adjustments to the Outpatient Facility copay have a minimal impact on the metal AV past a certain threshold. It appears that as long as the Outpatient Physician copay is increased to at least \$125 there is added flexibility to choose the amount of the Outpatient Facility copay, and therefore combined OP surgery copay.

Thanks,

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