



March 9, 2018

Recommendations of the Standard Plans Advisory Working Group to the District of Columbia Health Benefit Exchange Authority

This report is submitted by the Standard Plans Advisory Working Group, chaired Dania Palanker and vice-chaired by Kate Sullivan Hare. The working group's charge was to modify the standard benefit plan for all metal level tiers, if necessary, to comply with the federal Actuarial Value Calculator (AVC) for Plan Year (PY) 2019.

Background

The working group had previously recommended standard benefit plans for all metal level tiers for PY 2018. Those recommendations were adopted by the Executive Board of the Health Benefit Exchange Authority (HBX) and are in effect for PY 2018.

There was one issue on the table for discussion by the working group for PY 2019:

1. Plan design and Actuarial Value Calculator – Changes to the federal AVC necessitated that the working group reconvene to address any necessary modifications to the standard plans. The HBX used its contract actuary, Oliver Wyman (OW), to run the PY 2018 standard plans through the final AVC for Plan Year 2019. Oliver Wyman concluded that the gold, silver, and non-HSA compatible bronze plans no longer fell within the actuarial value range permitted under federal law, so that cost-sharing levels for those two plans would need to be increased to meet federal requirements. Throughout the course of meetings and discussions, OW developed options at the various metal level tiers for the working group to consider.

All of the working group's documents over five meetings, including meeting notes, can be viewed on its HBX [webpage](#).

Discussion

1. Plan Design and Actuarial Value Calculator

During the discussions, it was noted by the carriers that there may be minor differences in how its actuaries input data to the AVC, so while they wouldn't expect a dramatic difference in AV when the carrier runs the calculator, it might be safer to keep the AV 0.05% under the maximum to make sure the plan is within the *de minimis* range.

- a. Gold:** The allowed range for gold is +2/-4%, or 76% - 82%. The existing 2018 gold standard plan falls outside the acceptable actuarial value (AV) range using the 2019 AVC at 82.92%.

Overall, the actuaries pointed out that generally speaking, one gets the most “bang for the buck” with respect to the plan AV by increasing deductibles and maximum out-of-pocket (MOOP) limits. The working group discussed that a major objective of the gold plan was to keep as many services as possible not subject to the deductible, and to keep the deductible low.

The Gold Alternate 1 option modeled by the actuaries increases the MOOP by \$500 to \$4,000. It also increases cost-sharing for the emergency room and emergency transportation from \$250 to \$300. A working group member asked the carriers if they know at what point the higher 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 is having signs of a heart attack or an asthma attack to not go to the emergency room because of being worried about the bill. A carrier member 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 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 \$300 copays for emergency transportation and emergency room services and the carrier has not seen people forgo care because of that cost. Another carrier said the increase in the copays for emergency transportation and emergency room services does not pose a problem for it.

Consensus: Recommend a gold standard plan that increases the MOOP by \$500 and increases emergency room and emergency transportation cost-sharing by \$50.

b. Silver: The allowed range for silver is +2/-4%, or 66% - 72%. The existing 2018 silver standard plan falls outside the acceptable actuarial value (AV) range using the 2019 AVC at 73.22%. Unfortunately, cutting 1.22% off the AV involves making difficult choices and tradeoffs.

The working group considered a variety of modifications to move the silver standard plan to the acceptable AV range. Protracted discussions among the working group members over the course of the meetings centered on whether to keep the deductible the same rather than raising it, whether to raise the MOOP, and what cost-sharing changes impact the smallest number of consumers.

One change considered was raising the copay for X-rays and diagnostic imaging from \$70 to \$80. A carrier member 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. A member stated that the X-ray cost-sharing is for X-rays and diagnostic imaging, such as ultrasounds, sonograms, and cardiac imaging. Such imaging might take place before and after surgery. The member said that the costs for a consumer who is having surgery and needs X-rays and diagnostic imaging leading up to it could add up to hundreds of dollars, so keeping the X-ray cost-sharing at the current level could be helpful to people. Ultimately the working group members agreed to keep the cost-sharing at \$70 for those services.

Another change considered was increasing cost-sharing for the emergency room and emergency transportation from \$250 to \$350. A discussion occurred similar to the discussion with respect to the gold plan, but no member wanted to raise the cost-sharing in this instance more than to \$350.

The third and fourth changes considered were raising the deductible and/or MOOP. A carrier member said that if the goal is to impact the smallest number of consumers, then the group should consider increasing the MOOP because fewer people will meet it compared to the number of people who will use services that may have increased copays. Another member said she hated to raise the MOOP, since that would impact people with a lot of health conditions, but she recognized that there has to be a tradeoff. The working group ultimately agreed to increase the MOOP to \$7,600.

One carrier member suggested a \$250 increase in the deductible, bringing it to \$4,000 from \$3,750. Consumer representative members felt strongly it was important to keep the deductible low so people could afford to access care. Another member said she feels very strongly about keeping the deductible on the silver plan low. She said that some individuals may decide it is not worth having insurance if they have to pay so much money before they can access care. The working group ultimately agreed to keep the deductible at \$3,750.

Consensus: Recommend the silver standard plan that increases cost-sharing for the emergency room and emergency transportation from \$250 to \$350, and increase the MOOP to \$7,600.

c. Bronze: The allowed range for silver is +2/-4%, or 62% - 56%. However, bronze plans that cover at least one major service (other than preventive services) before the deductible can be +5/-4%, or 65% - 56%. The existing 2018 bronze non-HSA compatible standard plan falls outside the acceptable actuarial value (AV) range using the 2019 AVC at 66.20%.

As with the silver plan, cutting 1.20% off the AV involves making difficult choices and tradeoffs. The working group considered a variety of modifications to move the bronze standard plan to the acceptable AV range.

An alternative within the AV range modeled by the actuaries increases the deductible to \$7,250 (a \$625 increase), the MOOP to \$7,850 (a \$500 increase), and the specialist copay to \$80 (a \$5 increase). This model resulted in an AV of 64.99%, which is a little too close to the maximum to account for carrier input variations into the AVC. An increase of the MOOP to the maximum allowed, \$7,900, results in the needed cushion.

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 is because HHS put in significant increases in medical costs in the 2019 AVC. The member says that while sticker shock is a concern, the reality is that many people who met a \$6,850 deductible would also meet a \$7,250 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.

HBX staff reminded the group that the standard bronze HSA-compatible plan has a deductible of \$6,200, so there is a lower deductible bronze plan available. The bronze non-HSA-compatible plan is the richer of the two plans. Plan Year 2018 is the first year in which

there are two standard bronze plans. Staff said that the 2018 bronze non-HSA-compatible plan, which has a \$6,600 deductible, has close to 2,000 people enrolled in it, and about 1400 to 1500 people are enrolled in the bronze HSA-compatible plan.

Ultimately, the working group coalesced around the bronze alternative that increases the deductible to \$7,250 (a \$1,250 increase), the MOOP to \$7,900 (a \$550 increase), and the specialist and x-ray and diagnostic imaging copay to \$80 (a \$5 increase).

Consensus: Recommend the bronze standard plan as outlined above.

Recommendations

Over the course of the meetings, the working group reached consensus to recommend amendments to the 2018 standard plans as noted above and reflected in the attached displays for PY 2019. (Attachment)

Working Group Members

The Standard Plans Advisory Working Group is comprised of representatives from qualified health plans, consumer groups and trade associations. Five meetings were held, on January 24, February 14, 21 and 27, and March 1, 2018 by conference call. Consensus recommendations were reached over the course of the meetings.

Dania Palanker , Chair	Georgetown
Kate Sullivan Hare, Vice-Chair	Executive Board Member
Marcy M. Buckner	National Ass’n of Health Underwriters
Dave Chandrasekaran	DC Health Link Consumer
Stephanie Cohen	Golden & Cohen (NFP)
Kris Hathaway	America’s Health Insurance Plans
Cheryl Finch Parcham	Families USA
Robert Metz, Jennifer Storm, others	CareFirst

John Fleig	UnitedHealthcare
Pia Sterling, Marie Legowick, Tiffinie Severin, Renee Vis	Kaiser Permanente
Colin Reusch	Children’s Dental Health Project
Staff Advisors & Support	
Mary Beth Senkewicz	HBX
Alexis Chappell	HBX
Howard Liebers	DISB
Ryan Mueller, Sarah Langford	Oliver Wyman

The working group gratefully acknowledges the work of Mr. Mueller and Ms. Langford with Oliver Wyman in support of the working group’s deliberations

**Standard Plans Advisory Working Group
Platinum Plan ~~2018~~2019**

Actuarial Value		88.2092%	
Individual Overall Deductible		\$0	
Other individual deductibles for specific services			
Medical		\$0	
Prescription Drugs		\$0	
Dental		\$0	
Individual Out-of-Pocket Maximum		\$2,000	
Common Medical Event	Service Type	Member Cost Share	Deductible Applies
Health Care Provider's Office or Clinic visit	Primary care visit or non-specialist practitioner visit to treat an injury or illness	\$20	
	Specialist visit	\$40	
	Preventive care/screening/immunization	\$0	
Tests	Laboratory tests	\$20	
	X-rays and diagnostic imaging	\$40	
	Imaging (CT/PET scans, MRIs)	\$150	
Drugs to treat Illness or Condition	Generic	\$5	
	Preferred brand	\$15	
	Non-preferred Brand	\$25	
	Specialty	\$100	
Outpatient Surgery	Facility fee (e.g. hospital room)	\$250	
	Physician/Surgeon fee		
Outpatient Non-surgical Clinic Visit*	Non-surgical service, not otherwise elaborated herein, rendered in the outpatient department of a hospital/hospital clinic	\$75	
Need Immediate Attention	Emergency room services (waived if admitted)	\$150	
	Emergency medical transportation	\$150	
	Urgent Care	\$40	
Hospital Stay	Facility fee (e.g. hospital room)	\$250 per day up to 5 days	
	Physician/surgeon fee		
Mental/Behavioral Health	M/B office visits	\$20	
	M/B outpatient services	\$20	
	M/B inpatient services	\$250 per day up to 5 days	
Health, Substance Abuse needs	Substance abuse disorder outpatient services	\$20	
	Substance abuse disorder inpatient services	\$250 per day up to 5 days	
Pregnancy	Prenatal care and preconception services	\$0	
	Delivery and all inpatient services	Hospital Professional	\$250 per day up to 5 days

*Copay may not apply in a staff model HMO setting.

Help recovering or other special health needs	Home health care	\$20	
	Outpatient rehabilitation services	\$20	
	Outpatient habilitation services	\$20	
	Skilled nursing care	\$150 per day up to 5 days	
	Durable medical equipment	10%	
	Hospice services	\$0	
Child eye care	Eye exam	\$0	
	1 pair of glasses per year (or contact lenses in lieu of glasses)	\$0	
Child Dental Diagnostic and Preventive	Oral Exam	\$0	
	Preventive - cleaning	\$0	
	Preventive- x-ray	\$0	
	Sealants per tooth	\$0	
	Topical fluoride application	\$0	
	Space Maintainers - Fixed	\$0	
Child Dental Basic Services	Amalgam Fill – 1 surface	\$25	
Child Dental Major Services	Root canal - molar	\$300	
	Gingivectomy per Quad	\$150	
	Extraction – single tooth exposed root or	\$65	
	Extraction – complete bony	\$160	
	Porcelain with Metal Crown	\$300	
Child Orthodontics	Medically necessary orthodontics	\$1,000	

**D.C. Health Benefit Exchange
Standard Plans Advisory Working Group
Gold Plan ~~2018~~2019**

Actuarial Value		81.9194%	
Individual Overall Deductible		\$0	
Other individual deductibles for specific services			
Medical		\$500	
Prescription Drugs		\$0	
Dental		\$0	
Individual Out-of-Pocket Maximum		<u>\$3,500</u> 4,000	
Common Medical Event	Service Type	Member Cost Share	Deductible Applies
Health Care Provider's Office or Clinic visit	Primary care visit or non-specialist practitioner visit to treat an injury or illness	\$25	
	Specialist visit	\$50	
	Preventive care/screening/immunization	\$0	
Tests	Laboratory tests	\$30	
	X-rays and diagnostic imaging	\$50	
	Imaging (CT/PET scans, MRIs)	\$250	
Drugs to treat Illness or Condition	Generic	\$15	
	Preferred brand	\$50	
	Non-preferred Brand	\$70	
	Specialty	\$150	
Outpatient Surgery	Facility fee (e.g. hospital room)	\$600	
	Physician/Surgeon fee		
Outpatient Non-Surgical Clinic Visit*	Non-surgical service, not otherwise elaborated herein, rendered in the outpatient department of a hospital/hospital clinic	\$75	
Need Immediate Attention	Emergency room services (waived if admitted)	\$250 300	
	Emergency medical transportation	\$250 300	
	Urgent Care	\$60	
Hospital Stay	Facility fee (e.g. hospital room)	\$600 per day up to 5 days	X
	Physician/surgeon fee		X
Mental/Behavioral Health	M/B office visits	\$25	
	M/B outpatient services	\$25	
	M/B inpatient services	\$600 per day up to 5 days	X
Substance Abuse needs	Substance abuse disorder outpatient services	\$25	
	Substance abuse disorder inpatient services	\$600 per day up to 5 days	X
Pregnancy	Prenatal care and preconception services		\$0
	Delivery and all inpatient services	Hospital	\$600 per day up to 5 days
		Professional	

*Copay may not apply in staff model HMO setting.

Help recovering or other special health needs	Home health care	\$30	
	Outpatient rehabilitation services	\$30	
	Outpatient habilitation services	\$30	
	Skilled nursing care	\$300 per day up to 5 days	
	Durable medical equipment	20%	
	Hospice services	\$0	
Child eye care	Eye exam	\$0	
	1 pair of glasses per year (or contact lenses in lieu of glasses)	\$0	
Child Dental Diagnostic and Preventive	Oral Exam	\$0	
	Preventive - cleaning	\$0	
	Preventive- x-ray	\$0	
	Sealants per tooth	\$0	
	Topical fluoride application	\$0	
	Space Maintainers - Fixed	\$0	
Child Dental Basic Services	Amalgam Fill – 1 surface	\$25	
Child Dental Major Services	Root canal - molar	\$300	
	Gingivectomy per Quad	\$150	
	Extraction – single tooth exposed root or	\$65	
	Extraction – complete bony	\$160	
	Porcelain with Metal Crown	\$300	
Child Orthodontics	Medically necessary orthodontics	\$1,000	

Standard Plans Advisory Working Group
Silver Plan ~~2018~~2019

Actuarial Value		71. 95 90%	
Individual Overall Deductible		N/A	
Other individual deductibles for specific services			
Medical		\$3,500	
Prescription Drugs		\$250	
Dental		\$0	
Individual Out-of-Pocket Maximum		\$6,250 7,600	
Common Medical Event	Service Type	Member Cost Share	Deductible Applies
Health Care Provider's Office or Clinic visit	Primary care visit or non-specialist practitioner visit to treat an injury or illness	\$40	
	Specialist visit	\$80	
	Preventive care/screening/immunization	\$0	
Tests	Laboratory tests	\$50	
	X-rays and diagnostic imaging	\$70	
	Imaging (CT/PET scans, MRIs)	\$250	
Drugs to treat Illness or Condition	Generic	\$15	
	Preferred brand	\$50	X
	Non-preferred Brand	\$70	X
	Specialty	\$150	X
Outpatient Surgery	Facility fee (e.g. hospital room)	20%	X
	Physician/Surgeon fee	20%	X
Outpatient Non-surgical Clinic Visit*	Non-surgical service, not otherwise elaborated herein, rendered in the outpatient department of a hospital/hospital clinic	20%	X
Need Immediate Attention	Emergency room services (waived if admitted)	\$250 350	X
	Emergency medical transportation	\$250 350	X
	Urgent Care	\$90	
Hospital Stay	Facility fee (e.g. hospital room)	20%	X
	Physician/surgeon fee		X
Mental/Behavioral Health	M/B office visits	\$40	
	M/B outpatient services	5%	
	M/B inpatient services	20%	X
Health, Substance Abuse needs	Substance abuse disorder outpatient services	\$40	
	Substance abuse disorder inpatient services	20%	X
Pregnancy	Prenatal care and preconception services		\$0
	Delivery and all inpatient services	Hospital	20%
		Professional	

*Coinsurance may not apply in staff model HMO setting.

Help recovering or other special health needs	Home health care	\$50	
	Outpatient rehabilitation services	\$50	
	Outpatient habilitation services	\$50	
	Skilled nursing care	20%	X
	Durable medical equipment	20%	
	Hospice services	\$0	
Child eye care	Eye exam	\$0	
	1 pair of glasses per year (or contact lenses in lieu of glasses)	\$0	
Child Dental Diagnostic and Preventive	Oral Exam	\$0	
	Preventive - cleaning	\$0	
	Preventive- x-ray	\$0	
	Sealants per tooth	\$0	
	Topical fluoride application	\$0	
	Space Maintainers - Fixed	\$0	
Child Dental Basic Services	Amalgam Fill – 1 surface	\$25	
Child Dental Major Services	Root canal - molar	\$300	
	Gingivectomy per Quad	\$150	
	Extraction – single tooth exposed root or	\$65	
	Extraction – complete bony	\$160	
	Porcelain with Metal Crown	\$300	
Child Orthodontics	Medically necessary orthodontics	\$1,000	

**Standard Plans Advisory Working Group
Bronze Plan 2018**

Actuarial Value		65.00 64.89%	
Individual Overall Deductible		\$6,000 7,250	
Other individual deductibles for specific services			
Medical		\$5,000 6,650	
Prescription Drugs		\$600	
Dental		\$0	
Individual Out-of-Pocket Maximum		\$7,350 7,900	
Common Medical Event	Service Type	Member Cost Share	Deductible Applies
Health Care Provider's Office or Clinic visit	Primary care visit or non-specialist practitioner visit to treat an injury or illness	\$50	
	Specialist visit	\$75 80	
	Preventive care/screening/immunization	\$0	
Tests	Laboratory tests	\$55	X
	X-rays and diagnostic imaging	\$75 80	X
	Imaging (CT/PET scans, MRIs)	\$500	X
Drugs to treat Illness or Condition	Generic	\$25	
	Preferred brand	\$75	X
	Non-preferred Brand	\$100	X
	Specialty	\$150	X
Outpatient Surgery	Facility fee (e.g. hospital room)	25%	X
	Physician/Surgeon fee	25%	X
Outpatient Non-surgical Clinic Visit*	Non-surgical service, not otherwise elaborated herein, rendered in the outpatient department of a hospital/hospital clinic	25%	X
Need Immediate Attention	Emergency room services	25%	X
	Emergency medical transportation	25%	X
	Urgent Care	\$100	
Hospital Stay	Facility fee (e.g. hospital room)	25%	X
	Physician/surgeon fee	25%	X
Mental/Behavioral Health	M/B office visits	\$50	
	M/B outpatient services	10%	
	M/B inpatient services	25%	X
Health, Substance Abuse needs	Substance abuse disorder outpatient services	\$50	
	Substance abuse disorder inpatient services	25%	X
Pregnancy	Prenatal care and preconception services		\$0
	Delivery and all inpatient services	Hospital	25%
		Professional	

*Coinsurance may not apply in a staff model HMO setting.

Help recovering or other special health needs	Home health care (up to 90 visits for 4 hours per calendar yr)	\$50	X
	Outpatient rehabilitation services	\$50	X
	Outpatient habilitation services	\$50	X
	Skilled nursing care	25%	X
	Durable medical equipment	25%	X
	Hospice services	25%	X
Child eye care	Eye exam (OD)	\$50	
	1 pair of glasses per year (or contact lenses in lieu of glasses)	\$0	
Child Dental Diagnostic and Preventive	Oral Exam	\$0	
	Preventive - cleaning	\$0	
	Preventive- x-ray	\$0	
	Sealants per tooth	\$0	
	Topical fluoride application	\$0	
Child Dental Basic Services	Amalgam Fill – 1 surface	\$41	
Child Dental Major Services	Root canal - molar	\$512	
	Gingivectomy per Quad	\$279	
	Extraction – single tooth exposed root or	\$69	
	Extraction – complete bony	\$241	
	Porcelain with Metal Crown	\$523	
Child Orthodontics	Medically necessary orthodontics	\$3,422	

**Standard Plans Advisory Working Group
HSA Bronze Plan 2018**

Actuarial Value		60.5961.82%	
Individual Overall Deductible		\$6,200	
Other individual deductibles for specific services			
Medical		\$6,200	
Prescription Drugs		Integrated with Medical	
Dental		\$0	
Individual Out-of-Pocket Maximum		\$6,550	
Common Medical Event	Service Type	Member Cost Share	Deductible Applies
Health Care Provider's Office or Clinic visit	Primary care visit or non-specialist practitioner visit to treat an injury or illness	20%	X
	Specialist visit	20%	X
	Preventive care/screening/immunization	\$0	
Tests	Laboratory tests	20%	X
	X-rays and diagnostic imaging	20%	X
	Imaging (CT/PET scans, MRIs)	20%	X
Drugs to treat Illness or Condition	Generic	20%	X
	Preferred brand	20%	X
	Non-preferred Brand	20%	X
	Specialty	20%	X
Outpatient Surgery	Facility fee (e.g. hospital room)	20%	X
	Physician/Surgeon fee	20%	X
Outpatient Non-surgical Clinic Visit*	Non-surgical service, not otherwise elaborated herein, rendered in the outpatient department of a hospital/hospital clinic	20%	X
Need Immediate Attention	Emergency room services	20%	X
	Emergency medical transportation	0	X
	Urgent Care	\$50	X
Hospital Stay	Facility fee (e.g. hospital room)	20%	X
	Physician/surgeon fee	20%	X
Mental/Behavioral Health	M/B office visits	20%	X
	M/B outpatient services	10%	X
	M/B inpatient services	20%	X
Health, Substance Abuse needs	Substance abuse disorder outpatient services	20%	X
	Substance abuse disorder inpatient services	20%	X
Pregnancy	Prenatal care and preconception services	\$0	X
	Delivery and all inpatient services	Hospital	X
		Professional	X

*Coinsurance may not apply in a staff model HMO setting.

Help recovering or other special health needs	Home health care (up to 90 visits for 4 hours per calendar yr)	20%	X
	Outpatient rehabilitation services	20%	X
	Outpatient habilitation services	20%	X
	Skilled nursing care	20%	X
	Durable medical equipment	20%	X
	Hospice services	20%	X
Child eye care	Eye exam (OD)	\$50	
	1 pair of glasses per year (or contact lenses in lieu of glasses)	\$0	
Child Dental Diagnostic and Preventive	Oral Exam	\$0	
	Preventive - cleaning	\$0	
	Preventive- x-ray	\$0	
	Sealants per tooth	\$0	
	Topical fluoride application	\$0	
Child Dental Basic Services	Amalgam Fill – 1 surface	\$41	
Child Dental Major Services	Root canal - molar	\$512	
	Gingivectomy per Quad	\$279	
	Extraction – single tooth exposed root or	\$69	
	Extraction – complete bony	\$241	
	Porcelain with Metal Crown	\$523	
Child Orthodontics	Medically necessary orthodontics	\$3,422	