



March 27, 2020

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. 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) 2021.

Background

The working group had previously recommended standard benefit plans for all metal level tiers for PY 2020. Those recommendations were adopted by the Executive Board of the Health Benefit Exchange Authority (HBX) and are in effect for PY 2020.

There was one issue on the table for discussion by the working group for PY 2021:

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 2020 standard plans through the draft AVC for Plan Year 2021. Oliver Wyman concluded that the gold, silver, and both bronze plans no longer fell within the actuarial value range permitted under federal law, so that cost-sharing levels for those four 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 three meetings, including meeting notes, can be viewed on its HBX [webpage](#).

Discussion

1. Plan Design and Actuarial Value Calculator

a. Gold: The allowed range for gold is +2/-4%, or 76% - 82%. The existing 2020 gold standard plan falls outside the acceptable actuarial value (AV) range using the 2021 AVC at 82.41%.

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 \$300 to \$4,950. No other changes to the plan are necessary to bring it within the acceptable AV range. Other alternatives modeled by the actuaries increase the MOOP less, but increases the copays for certain services. As noted in prior years, in general it was preferable to raise the MOOP because it affects fewer people, the higher utilizers. Consumer advocates agreed that raising the MOOP and leaving the same copays for services is preferable.

Consensus: Recommend a gold standard plan that increases the MOOP by \$300.

b. Silver: The allowed range for silver is +2/-4%, or 66% - 72%. The existing 20209 silver standard plan falls outside the acceptable actuarial value (AV) range using the 2021 AVC at 72.16%.

The working group two modifications to move the silver standard plan to the acceptable AV range. One of the modeled alternatives raises the MOOP from \$8,000 to \$8,500 as the only

change. The second alternative increased the MOOP by \$150 but also increased the deductible by \$100. The working group quickly coalesced around raising the MOOP only and keeping the deductible the same.

Consensus: Recommend a silver standard plan that increases the MOOP by \$250.

c. Bronze Copay: The allowed range for bronze non-HSA compatible (bronze copay) 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 2020 bronze non-HSA compatible standard plan falls outside the acceptable actuarial value (AV) range using the 2021 AVC at 66.48%.

To cut 1.48% off the AV involves making difficult choices and tradeoffs. The working group considered a variety of modifications to move the bronze copay standard plan to the acceptable AV range.

With the bronze copay plan, the actuaries initially modeled two alternatives, each with an \$8,350 MOOP. (The actuaries estimated the increase in MOOP based on prior year increases, before the MOOP was set at \$8,550 in the rule.) However, since the MOOP was not increased to the permitted maximum for bronze copay, working group members were not comfortable with the required rise in copays and coinsurance for a variety of services. The working group had the actuaries model additional alternatives with an \$8,550 MOOP.

The carriers both said they have “Value” plans in Maryland that have specialist visits after the deductible, allowing better benefits in other categories asked the actuaries to add these plans the alternatives as well.

The working group discussed that the Value plans embodied a shift to an integrated deductible. Was it more important to have a lower Rx deductible, with so many services after the deductible? Working group members asked about the costs of specialists, and whether ob/gyn was a specialty that is not pre-deductible in the Value plans, and asked about the

actual cost versus cost-sharing. Consumer representatives thought it would vary based on specialist/service/location, noted that the copay can never exceed the actual amount and also noted that many specialists in the District are associated with hospitals and therefore are more expensive.

The working group also discussed the cost of generic drugs and CF noted that most were under \$20. If you make them subject to the deductible, members will pay more. The levers in the AVC make generics play a large piece in the AV calculation. It lowers the AV such that you can have lower copays.

The chair's big issue was with a major policy shift if the group went with a Value plan because of the move to an integrated deductible and specialist visits after the deductible. As noted in last year's report, "having primary care and specialist visits pre-deductible encouraged appropriate care and did not create a barrier to access. The members also believed it was a positive to retain consistency from the prior year in that regard."

The carriers expressed no preference for the two non-Value plans that were modeled, noting that they have many fewer changes for the current membership. The consumer representatives generally preferred one of the alternatives. The working group did coalesce around the third alternative which increases the deductible to \$8,350 (a \$550 increase), the MOOP to \$8,550 (a \$550 increase), office visits to \$60 (a \$5 increase), and a specialist visit to \$125 (a \$25 increase). This model resulted in an AV of 64.96%.

Consensus: Recommend the bronze standard plan as outlined above.

d. Bronze HDHP: The actuarial value of the 2020 Bronze HSA-compatible came in at 65.72%, 0.72% over the allowed maximum. The actuaries modeled two alternatives. One raised the deductible by \$150 to \$6,350 and required no other changes. The second alternative raised the deductible by \$50 but raised coinsurance on services to 30%, a 10% increase. Given how lean the benefits are in bronze, and considering that a significant amount of dollars need to be expended before reaching to deductible, the working group

coalesced around the first alternative.

Consensus: Recommend the bronze HSA-compatible standard plan by increasing the deductible by \$150 and the MOOP by \$350.

Recommendations

Over the course of the meetings, the working group reached consensus to recommend amendments to the 2020 standard plans as noted above and reflected in the attached displays for PY 2021. (Attachment)

Working Group Members

The Standard Plans Advisory Working Group is comprised of representatives from qualified health plans, consumer groups and trade associations. Two meetings were held, on February 5 and February 14, 2020 by conference call. Consensus recommendations were reached over the course of the meetings.

Dania Palanker, Chair	Georgetown
Marcy M. Buckner	National Ass'n of Health Underwriters
Dave Chandrasekaran	DC Health Link Consumer
Kris Hathaway	America's Health Insurance Plans
Cheryl Fish-Parcham	Families USA
Robert Metz, Jennifer Storm	CareFirst
Renee Vis, Denise Barton	Kaiser Permanente
Staff Advisors & Support	
Mary Beth Senkewicz	HBX
Howard Liebers	DISB
Tammy Tomczyk, Corryn Brown	Oliver Wyman

The working group gratefully acknowledges the work of Ms. Tomczyk and Ms. Brown with Oliver Wyman in support of the working group's deliberations.

Attachment

**Standard Plans Advisory Working Group
Platinum Plan ~~2020~~2021**

Actuarial Value		<u>89.5988.99%</u>	
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 office visits	\$20	
	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 ~~2020~~2021**

Actuarial Value		81.9495%	
Individual Overall Deductible		\$0	
Other individual deductibles for specific services			
Medical		\$500	
Prescription Drugs		\$0	
Dental		\$0	
Individual Out-of-Pocket Maximum		\$4,650950	
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)	\$300	
	Emergency medical transportation	\$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 office visits	\$25	
	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	\$600 per day up to 5 days	X
	Hospital		
	Professional		X

*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 ~~2020~~2021

Actuarial Value		71.9596%	
Individual Overall Deductible		\$4,250	
Other individual deductibles for specific services			
Medical		\$4,000	
Prescription Drugs		\$250	
Dental		\$0	
Individual Out-of-Pocket Maximum		\$8,000250	
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	\$60	
	X-rays and diagnostic imaging	\$80	
	Imaging (CT/PET scans, MRIs)	\$300	
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)	\$350	X
	Emergency medical transportation	\$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	\$0	
	M/B inpatient services	20%	X
Health, Substance Abuse needs	Substance abuse disorder office visits	\$40	
	Substance abuse disorder outpatient services	\$0	
	Substance abuse disorder inpatient services	20%	X
Pregnancy	Prenatal care and preconception services	\$0	
	Delivery and all inpatient services	20%	X
	Hospital		X
	Professional		X

*Coinsurance may not apply in staff model HMO setting.

Help recovering or other special health needs	Home health care	\$50	
	Outpatient rehabilitation services	\$65	
	Outpatient habilitation services	\$65	
	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 Copay Plan 20202021**

Actuarial Value		64.96%	
Individual Overall Deductible		<u>\$7,8008,350</u>	
Other individual deductibles for specific services			
Medical		<u>\$7,250500</u>	
Prescription Drugs		<u>\$750850</u>	
Dental		\$0	
Individual Out-of-Pocket Maximum		<u>\$8,000550</u>	
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	<u>\$5560</u>	
	Specialist visit	<u>\$100125</u>	
	Preventive care/screening/immunization	\$0	
Tests	Laboratory tests	\$55	X
	X-rays and diagnostic imaging	\$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)	40%	X
	Physician/Surgeon fee	40%	X
Outpatient Non-surgical Clinic Visit*	Non-surgical service, not otherwise elaborated herein, rendered in the outpatient department of a hospital/hospital clinic	40%	X
Need Immediate Attention	Emergency room services	40%	X
	Emergency medical transportation	40%	X
	Urgent Care	\$100	
Hospital Stay	Facility fee (e.g. hospital room)	40%	X
	Physician/surgeon fee	40%	X
Mental/Behavioral Health	M/B office visits	<u>\$5560</u>	
	M/B outpatient services	\$0	
	M/B inpatient services	40%	X
Health, Substance Abuse needs	Substance abuse disorder office visits	<u>\$5560</u>	
	Substance abuse disorder outpatient services	\$0	
	Substance abuse disorder inpatient services	40%	X
Pregnancy	Prenatal care and preconception services	\$0	
	Delivery and all inpatient services	Hospital	40% %
		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	30%	X
	Durable medical equipment	30%	X
	Hospice services	30%	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 2020**

Actuarial Value		63.1364.99%	
Individual Overall Deductible		\$6,200 <u>350</u>	
Other individual deductibles for specific services			
Medical		\$6,200	
Prescription Drugs		Integrated with Medical	
Dental		\$0	
Individual Out-of-Pocket Maximum		\$6,550 <u>900</u>	
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	20%	X
	Urgent Care	20%	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	20%	X
	M/B inpatient services	20%	X
Health, Substance Abuse needs	Substance abuse disorder office visits	20%	X
	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	