

Notes from Standard Plans Advisory Working Group Meeting

Nov. 30, 2016

Workgroup leadership

Dr. Leighton Ku, Chair lku@gwu.edu

Dania Palanker, Vice Chair dania.palanker@georgetown.edu

DC HBX staff

Alexis Chappell alexis.chappell@dc.gov

Purvee Kempf purvee.kempf@dc.gov

Mary Beth Senkewicz marybeth.senkewicz@dc.gov

Attendees

Kate Sullivan Hare: DC HBX executive board member

Dave Chandrasekaran: health care consulting

D.C. Department of Insurance, Banking, and Securities (DISB): Howard Liebers

Aetna: Kelsey Grigsby

CareFirst: Robert Metz, Cindy Otley, Jennifer Storm

Kaiser: Pia Sterling, David Wilson, John Xu, Tiffinnie Severin

United: Seung Baick

America's Health Insurance Plans (AHIP): Joshua Keepes

Families USA: Lydia Mitts

Follow-up from last meeting

- On Nov. 28, Alexis sent the group updated draft standard plans charts and information on the number of individuals who received advance premium tax credits (APTCs) enrolled in HSA-qualified plans vs. non-HSA qualified plans

Discussion of adding HSA-compatible plans

- Leighton stated that the second lowest cost silver plans in 2015 and 2016 were HSA-qualified plans. If there was an HSA-qualified silver plan, there would be a risk that it would be the second lowest cost silver plan, which would affect APTC amounts; however, a majority of enrollees in the District don't receive APTCs. He also said that a majority of the enrollees didn't choose HSA plans.
- A member was uncomfortable that the APTC amount could be tied to an HSA plan. The member realized that the APTC population is a small percentage, but it could decrease the percentage of people able to receive APTCs. The member was more comfortable with having a bronze HSA plan.
- Another member expressed support for a bronze HSA plan and suggested it could have a 65% AV if permitted under the final rules. The member is concerned about the number of people enrolled in HSA plans who receive APTCs. Those enrollees may not understand that they should set up an account and are more likely to have economic instability. The member said some enrollees may end up only getting preventive services because they didn't realize everything else was subject to the deductible, and were unaware that they could get better coverage if they paid a little more.
- A carrier broadly agreed with having an HSA at the bronze level and stated that bronze is the appropriate level for an HSA.

- Leighton said there are many tools to help people choose plans, and if there is no HSA offered at the silver level, he fears that more people who receive APTCs that are currently enrolled in silver will step down to bronze plans to minimize monthly premiums, at the expense of losing CSRs. A member noted that if an individual enrolled in the lowest or second-lowest cost silver plan decides to drop down to a bronze plan because there's no silver HSA plan available, their purchasing power would be higher. Another member noted that there's a silver HSA plan in 2016 already, and those who choose to go down to bronze coverage are extremely price sensitive. This member supported having a bronze HSA at a higher AV level because enrollees would be getting coverage similar to a silver plan without too much of a financial impact. A member said it could be hard for consumers to distinguish between a non-HSA bronze plan and a bronze HSA plan if the AV levels are the same. Leighton concurred, adding that if the AV levels are identical, he was not sure of the point in having an HSA option.
- A carrier stated that its bestselling plan in all of its jurisdictions is a lean bronze HSA plan that has a 58% AV. The carrier said the draft 65% bronze HSA plans are closest to the bronze plans that people are enrolled in today. The carrier would prefer a leaner HSA, which would give people another option at a lower premium. A different carrier said it would prefer a medium-range HSA instead of a lean HSA.
- A member said that if the group wants to have a bronze HSA plan, it should be designed so people who know how to use an HSA account can have good coverage. The member wanted a non-HSA bronze plan at the lower AV for people who are more price sensitive and may not know how to use an HSA account. Mary Beth pointed out that none of the draft plans have had a bronze HSA plan with an AV higher than 61.28%, and one carrier has consistently stated that the AV should be lower. The carrier said there would be huge market disruption for bronze enrollees because the current standard bronze plan has a 62% AV; bronze enrollees would either get moved into a bronze plan with an HSA or get moved into a bronze plan with a much lower AV. The carrier said most people choose to be in a high-deductible health plan at the bronze level.
- Tammy said she could lower the deductible in any of the proposed HSA plans to increase the AV levels closer to 65%. Leighton said he's hearing from the group that it wants a bronze plan with a 65% AV that's similar to the existing standard bronze plan. He said he personally prefers a lean or medium HSA because people want more choices at a lower premium. He asked Tammy to walk the group through the non-HSA bronze plans.
- Tammy referred the group to the non-HSA bronze plans, located on page 4 and the first three columns of page 5 and discussed the changes she made in response to feedback from the group.
- A member preferred the copay Rx plans (2018 Standard Bronze Copay Rx Plan, 2018 Standard Bronze Copay Rx Plan – Spec Alt 1, and 2018 Standard Bronze Copay Rx Plan – Spec Alt 2) because having copays helped people budget for medical expenses. The member said it would be worth it to slightly increase the deductible for the 2018 Standard Bronze Copay Rx Plan and the 2018 Standard Bronze Copay Rx Plan – Spec Alt 1 to bring down the copay for specialist visits (\$100 and \$75, respectively; the 2017 standard bronze plan has a \$50 copay for specialist visits).
- Another member supported the 2018 Standard Bronze Copay Rx Plan and the 2018 Standard Bronze Copay Rx Plan – Spec Alt 1 because they are the most similar to the current bronze standard plan, but preferred the latter because the specialist visit copay was lower (\$75 versus \$100). The member did not like 2018 Standard Bronze Copay Rx Plan – Spec Alt 2 when compared to the 2018 Standard Bronze Copay Rx Plan because it probably wouldn't be financially advantageous to pay \$750 more for the deductible in exchange for specialist visits costing \$25 less.

- A carrier remarked that the AV levels for all the non-HSA bronze plans were very close to 65% (64.98% and 64.99%, for example). The carrier said it and other carriers have run into operational trouble when the AV is that close to the maximum because it will pass the AV calculator but won't meet the AV requirements when it's in the Plans and Benefits Template. The carrier believed that having an AV of 64.8% or 64.9% would prevent this from happening. The carrier suggested integrating the medical and drug deductibles, which Tammy agreed would definitely impact the AV level. A member said that the working group purposefully separated the medical and drug deductibles and that integrating them would be a significant change. Another member also expressed concern with integrating the deductibles, stating that people who need prescription drugs need to have a separate drug deductible. Leighton stated he would be concerned if the deductibles were integrated because some of the most routine health needs are medications.

Follow-up for next meeting

- Leighton asked if Tammy could tweak the 2018 Standard Bronze Copay Rx Plan – Spec Alt 1 (64.89% AV) and the 2018 Standard Bronze Eq Coins Plan (64.99% AV) to get their AV levels down to 64.8%.