

Notes from Standard Plans Advisory Working Group Meeting

January 31, 2019

Attendees

Dania Palanker, Chair

Howard Liebers, DISB

Rob Metz, Dave Scheinfeld, Jennifer Storm, CareFirst

Renee Vis, Kaiser

John Fleig, United

Cheryl Finch Parcham, Families USA

Kris Hathaway, AHIP

Colin Reusch, Children's Dental Health project

Marcy Buckner, NAHU

Ryan Mueller, OliverWyman

Mary Beth Senkewicz, HBX

Overview

- The draft actuarial value calculator (AVC) came out late this year, so we are in a time crunch. Three meetings have been scheduled, and we hope to complete our work so that the Executive Board can consider the recommendations at the February 13 Board meeting. We intend to vote at the third meeting on February 7
- Dania said that because the costs of medical care go up, the actuarial values go up. For plan year 2020, the 2019 platinum plan and HDHP bronze plan pass the draft AVC
- The reality is that the lower tiers require more difficult choices to get the plan to fit within the AV
- Priorities: to have each tier to have as many services as possible to not be pre-deductible; silver discussion last year was to keep the deductible as low as possible

Gold Plan Discussion

- Alternative 1 raises the MOOP the most but keeps the copays the same
- Other alternatives, the MOOP goes up less but some copays increase
- Dania said a question to consider is whether to try to keep the maximum out-of-pocket cap (MOOP) lower and raise copays, or vice-versa
- Rob from CF said in general it was preferable to raise the MOOP because it affects fewer people, the higher utilizers
- Renee from Kaiser agreed. She also cautioned about Alternative 2, which has the AV very close to the max – remember last year we left some wiggle room, since the carriers run the calculators and they need a little cushion

- Cheryl from Families USA agreed that raising the MOOP is preferable. In particular, the increase in some services in alternatives 2 and 3 will hit some people very hard that need those services
- Preliminarily, the working group reached consensus that for Gold, Alternative 1 was preferred

Silver Plan Discussion

- The MOOP in the proposed rule is at \$8,200. However, lots of pushback is anticipated on raising the MOOP that high. Dania asked for MOOPS at \$8,000 in case the Administration changes its proposal. We do not know what the final rule will say
- Ryan was asked, generally speaking, if the MOOP were to be \$8,200, what would be the effect on copays
- Ryan said the impact would be small, especially on the silver and bronze plans
- Alternative 1 maintains the same deductible and MOOP, but has the most changes to copays, including primary care. Also hab and rehab services increase substantially
- On all three alternatives the MOOP raises \$400
- Alternatives 2 and 3 do not change the primary care copay or the mental/behavioral health and substance abuse copays, and Alternative 3 has the least jump in hab and rehab services
- All the alternatives pass the mental health parity test. There are technical issues: if there is not a category that meets the “substantially all” test under mental health parity, the mental health parity internal model OW uses requires a \$0 copay for a small sliver of services (mental/behavioral health and substance abuse outpatient services). Other technical options could be made, but the simple route was to go to a \$0 copay. We could change o/p surgery and all other o/p services (including mental/behavioral and substance abuse) to copays that are equivalent after the deductible to pass the mental health parity test
- Ryan said in order to provide more cushion for the AV, the deductible would probably need to be raised by about \$100 (ballpark off the top of his head)
- Ryan also noted that if we were to increase the specialist visit copy, we would need to increase the urgent care copy so that urgent care is higher
- Cheryl asked if you nominally raise Rx copays, such as \$1, does that get you very far
- Ryan said a dollar or two, very minimal, but \$5 or \$10 would be substantially more impactful
- Cheryl asked about observational hospital stays. It is not separated out on the AVC
- Renee expressed a preference for Alternative 2. It keeps the primary and specialist visit going up. She did not have serious concerns about deductibles rising some for medical and Rx. It also gives a little more wiggle room in the AV
- Rob agreed, observing that increasing the medical deductible to \$3,900 might give us more wiggle room

- Cheryl said she thought hab and rehab services in Alt 2 are too high.
- Ryan said increasing medical deductible to \$4,000 should be able to get us to \$65 on hab and rehab
- MB noted a new Alt 4 with a \$4000 medical deductible and hab and rehab to \$65 might get us where we want/need to be
- Dania reminded all that a lot of services are pre- deductible so the increase, while not optimal and still creating a burden for some, still gives the patient options for services pre-deductible. Inpatient services, ER, o/p surgery, o/p clinic visits are subject to the deductible
- The working group agreed to look at a new Alt 4 as described above

Bronze Plan Discussion

- We have raised the MOOP by \$100 to \$8,000 on all three alternatives. All three alternatives have a cushion in the AV.
- Alt 1 has the least number of changes to the copays. Alts 2 and 3 have a lower rise of \$5 to primary care visits. But inpatient surgery and o/p nonsurgical services go from 25% to 40% and 25% to 30% respectively
- Dania reminded the group that only office visits are pre-deductible. The rises in coinsurance mean that a person with no Rx expenses will have \$750 in additional cost-sharing. It applies to a relatively small sliver of the population since it is a small window
- Cheryl said that the most consumer-friendly might be to raise the MOOP to the maximum \$8,200 and see what else can be lowered
- Dania thought if we could reduce the Rx deductible and Rx cost-sharing, or pre-deductible services. Many people can manage chronic conditions with Rx and regular doctor visits
- Cheryl thought reducing the Rx deductible was preferable
- The working group agreed to look at a new Alt 4 with raising the MOOP to \$8200 and reducing the Rx deductible
- Ryan did not think it would be terribly impactful, but he would run the numbers. He asked what plan to start with
- Cheryl said Alt 3