



November 5, 2014

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

This addendum to the original report dated October 6, 2014 (original report), is submitted by the Standard Plans Advisory Working Group, chaired by Leighton Ku and vice-chaired by Dania Palanker.

### **Background**

In the original report, the working group had recommended a standard Gold plan based on the Covered California standard Gold plan for 2015. The recommended plan had a zero deductible and a \$6,250 maximum out-of-pocket limit (MOOP). At the Executive Board meeting of the Health Benefit Exchange Authority held on October 8, 2014, Board member Dr. Henry Aaron said it seemed to him to be more in keeping with the concept of insurance to impose a modest deductible. He asked if public comment could be solicited on this issue.

Subsequent to the Board meeting, the working group reconvened on October 21 and November 5, 2014, by telephone, to consider Dr. Aaron's comments.

### **Working Group Discussion**

Dr. Ku had run an alternative Gold plan, with a \$500 deductible that applied to inpatient services only, through the federal Actuarial Value (A/V) calculator and discovered that a MOOP of

\$3,500 resulted in an A/V that was 0.1% lower (78.7% versus 78.8% in the original recommendation). The revised Gold plan is Attachment One.

The working group first discussed whether it wanted to consider alternatives to the zero deductible Gold plan recommended in the original report. Dr. Ku pointed out that the working group already had a recommendation before the Board and was not required to reconsider or change it. The members agreed it would be good to consider the alternative Dr. Ku worked out through the A/V calculator.

Members of the working group noted that the tradeoff involved was for a potentially higher premium with a lower MOOP versus a lower premium and more cost-sharing. Also, in the alternative plan, enrollees who had a one-night hospital stay might incur almost double the cost (\$500 toward the deductible and a \$600 copay rather than just the copay). However, enrollees who were using specialty drugs, for example, would benefit from a MOOP that was \$2,750 lower. Also, the working group members noted the importance of easy access to ambulatory services favored the first-dollar coverage for such services still available in the alternative plan. The members of the working group asked the carriers to price the alternative plan.

Carrier actuaries concluded that the premiums for the alternative plans should be comparable to the premiums for the original recommended standard Gold plan. Since the prices were comparable, the working group members were leaning toward the alternative plan with the \$500 deductible and noted that such a deductible put the Gold plan between the Platinum and Silver plans with respect to the deductible and the MOOP. Ms. Palanker noted that while she did not necessarily agree fully with the proposition that insurance is to cover only catastrophic costs, the alternative plan design still provided first dollar coverage for outpatient services, and the lower MOOP would help consumers with high prescription drug expenses. The other consumer representatives also liked the lower MOOP. Carrier representatives had no objections to either plan.

## **Recommendation**

The Standard Plans Advisory Working Group agreed by consensus to recommend that the prior standard Gold plan recommendation be withdrawn and the Executive Board adopt the alternative Gold standard plan for DC Health Link with a \$500 deductible that applied only to inpatient care as set forth in Attachment One.

**D.C. Health Benefit Exchange  
Standard Plans Advisory Working Group  
New Recommendation Draft Gold Plan 2016**

**Attachment One**

<b>Actuarial Value</b>		78.7%	
<b>Individual Overall Deductible</b>		\$0	
<b>Other individual deductibles for specific services</b>			
<b>Medical</b>		\$500	
<b>Prescription Drugs</b>		\$0	
<b>Dental</b>		\$0	
<b>Individual Out-of-Pocket Maximum</b>		\$3,500	
<b>Common Medical Event</b>	<b>Service Type</b>	<b>Member Cost Share</b>	<b>Deductible Applies</b>
<b>Health Care Provider's Office or Clinic visit</b>	Primary care visit or non-specialist practitioner visit to treat an injury or illness	\$25	
	Specialist visit	\$50	
	Preventive care/screening/immunization	\$0	
<b>Tests</b>	Laboratory tests	\$30	
	X-rays and diagnostic imaging	\$50	
	Imaging (CT/PET scans, MRIs)	\$250	
<b>Drugs to treat Illness or Condition</b>	Generic	\$15	
	Preferred brand	\$50	
	Non-preferred Brand	\$70	
	Specialty	20%	
<b>Outpatient Surgery</b>	Facility fee (e.g. hospital room)	\$600	
	Physician/Surgeon fee		
<b>Need Immediate Attention</b>	Emergency room services (waived if admitted)	\$250	
	Emergency medical transportation	\$250	
	Urgent Care	\$60	
<b>Hospital Stay</b>	Facility fee (e.g. hospital room)	\$600 per day up to 5 days	X
	Physician/surgeon fee		X
<b>Mental/Behavioral Health</b>	M/B outpatient services	\$25	
	M/B inpatient services	\$600 per day up to 5 days	X
<b>Substance Abuse needs</b>	Substance abuse disorder outpatient services	\$25	
	Substance abuse disorder inpatient services	\$600 per day up to 5 days	X
<b>Pregnancy</b>	Prenatal care and preconception services	\$0	
	Delivery and all inpatient services	Hospital Professional	\$600 per day up to 5 days X X
<b>Help recovering or other special health needs</b>	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	
<b>Child eye care</b>	Eye exam	\$0	
	1 pair of glasses per year (or contact lenses in lieu of glasses)	\$0	

<b>Child Dental Diagnostic and Preventive</b>	Oral Exam	\$0	
	Preventive - cleaning	\$0	
	Preventive- x-ray	\$0	
	Sealants per tooth	\$0	
	Topical fluoride application	\$0	
	Space Maintainers - Fixed	\$0	
<b>Child Dental Basic Services</b>	Amalgam Fill – 1 surface	\$25	
<b>Child Dental Major Services</b>	Root canal - molar	\$300	
	Gingivectomy per Quad	\$150	
	Extraction – single tooth exposed root or	\$65	
	Extraction – complete bony	\$160	
	Porcelain with Metal Crown	\$300	
<b>Child Orthodontics</b>	Medically necessary orthodontics	\$1,000	