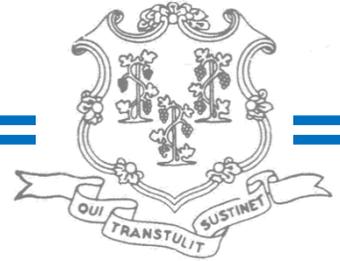


Connecticut Health Insurance Exchange

Standard Plan Design
Advisory Committee Informational Session

January 23, 2013

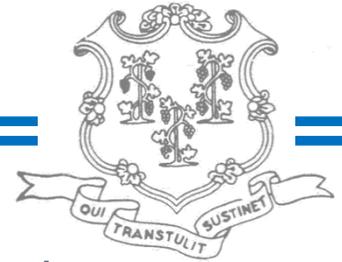
Standard Plan Design



Background:

- Board Direction – Exchange directed to define a standard plan for each metal tier
 - Carriers are also encouraged to submit one non-standard plan design for each metal tier
- Comparison Shopping – The standard plans will allow consumers to compare qualified health plans based on a carrier's network, quality rating and premiums, while holding constant benefits and cost sharing parameters

Standard Plan Design



Principles:

- Simplicity – Standard plans should be simple to understand and to administer.
- Consumer Focused – Enable consumers to get the appropriate care and value for their investment.
- Emphasis on Primary Care – Enable people to improve their health.

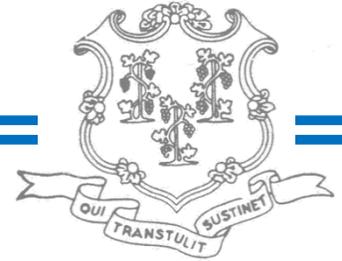
Team:

- Two members of each Advisory Committee
- Assistance provided by:
 - Connecticut Insurance Department
 - Carriers: three representatives

Meetings:

- Six meetings held between January 2 and January 22
- Collaborative

Standard Plan Design



Parameters:

- Connecticut State Law – Designs must comply state laws and regulations
- ACA Regulations – Designs must:
 - Comply with actuarial value requirements of Metal Tiers
 - Include Connecticut's Essential Health Benefits
 - Provide preventative services with no cost sharing
 - Limit out-of-pocket maximums
- Actuarial Value – Designs must be within +/- 2 points of Metal Tier requirements, as validated against Federal Actuarial Value Calculator
 - Silver Cost Sharing Reduction Plans must be within +/- 1 point of allowed actuarial values

Standard Plan Design



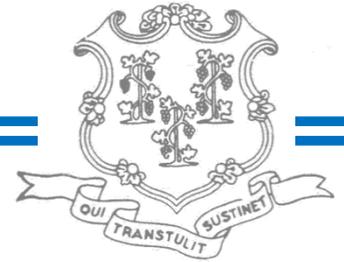
Actuarial Value ('AV'):

- The percentage of total average health care costs that will be covered by a plan.
- For example, if a plan has an AV of 70%, on average, the enrollee would be responsible for 30% of the costs of all covered benefits.
- In relationship to standard plans, AV refers only to the costs associated with the essential health benefits provided in-network.

Actuarial Values of Metal Tiers:

- Bronze – 60%
- Silver – 70%
 - Silver with Cost Sharing Reduction (for 100-250% of Federal Poverty Level)
 - 200-250% of FPL – 73%
 - 150-200% of FPL – 87%
 - 100-150% of FPL – 94%
- Gold – 80%
- Platinum – 90%

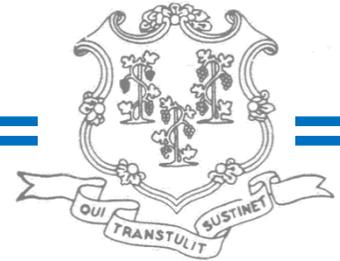
Standard Plan Design



Actuarial Value ('AV') Calculator:

- Tool – Excel calculator provided by CMS in late November 2012
- Averages – Incorporates a nationwide dataset on average expected costs and utilization patterns to calculate the Actuarial Value of a plan design
 - Connecticut can use its own data in 2015
- Inputs – Allows users to adjust various parameters of health plan, including:
 - Deductible Amount
 - Coinsurance Percentage
 - Copay by Service Category
 - Limits

Standard Plan Design - AV Calculator



Copy of av-calculator-final-locked-11-20-2012.xlsm

File Home Insert Page Layout Formulas Data Review View Acrobat

User Inputs for Plan Parameters

Use Integrated Medical and Drug Deductible?
 Apply Inpatient Copay per Day?
 Apply Skilled Nursing Facility Copay per Day?
 Use Separate OOP Maximum for Medical and Drug Spending?
 Indicate if Plan Meets CSR Standard?
 Desired Metal Tier: Silver

HSA/HRA Options			Narrow Network Options		
HSA/HRA Employer Contribution?	<input type="checkbox"/>		Blended Network/POS Plan?	<input type="checkbox"/>	
Annual Contribution Amount:			1st Tier Utilization:		
			2nd Tier Utilization:		

Tier 1 Plan Benefit Design			Tier 2 Plan Benefit Design		
Medical	Drug	Combined	Medical	Drug	Combined
Deductible (\$)	\$2,500.00	\$200.00	\$4,000.00		
Coinsurance (%., Insurer's Cost Share)	100.00%	100.00%	60.00%		
OOP Maximum (\$)	\$6,250.00	\$6,250.00			
OOP Maximum if Separate (\$)					

Type of Benefit	Tier 1				Tier 2			
	Subject to Deductible?	Subject to Coinsurance	Coinsurance, if	Copay, if separate	Subject to Deductible?	Subject to Coinsurance	Coinsurance, if	Copay, if separate
Medical	<input type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Emergency Room Services	<input type="checkbox"/>	<input type="checkbox"/>		\$150.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
All Inpatient Hospital Services (inc. MSHA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$500.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Primary Care Visit to Treat an Injury or Illness (exc. Well Baby, Preventive, and X-rays)	<input type="checkbox"/>	<input type="checkbox"/>		\$30.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Specialist Visit	<input type="checkbox"/>	<input type="checkbox"/>		\$45.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Mental/Behavioral Health and Substance Abuse Disorder	<input type="checkbox"/>	<input type="checkbox"/>		\$30.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Outpatient Services	<input type="checkbox"/>	<input type="checkbox"/>		\$30.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Imaging (CT/PET Scans, MRIs)	<input type="checkbox"/>	<input type="checkbox"/>		\$75.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Rehabilitative Speech Therapy	<input type="checkbox"/>	<input type="checkbox"/>		\$30.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Rehabilitative Occupational and Rehabilitative Physical Therapy	<input type="checkbox"/>	<input type="checkbox"/>		\$30.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Preventive Care/Screening/Immunization	<input type="checkbox"/>	<input type="checkbox"/>	100%	\$0.00	<input type="checkbox"/>	<input type="checkbox"/>	100%	\$0.00
Laboratory Outpatient and Professional Services	<input type="checkbox"/>	<input type="checkbox"/>		\$30.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
X-rays and Diagnostic Imaging	<input type="checkbox"/>	<input type="checkbox"/>		\$45.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Skilled Nursing Facility	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$500.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	66%		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Outpatient Surgery Physician/Surgical Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Drugs	<input checked="" type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Generics	<input type="checkbox"/>	<input type="checkbox"/>		\$10.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Preferred Brand Drugs	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$25.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Non-Preferred Brand Drugs	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$50.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Specialty High-Cost Drugs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	50%		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

Options for Additional Benefit Design Limits:

Do Not Allow Copays to Exceed Service Unit Cost?
 Set a Maximum on Specialty Rx Coinsurance Payments?
 Specialty Rx Coinsurance Maximum: _____
 Set a Maximum Number of Days for Charging an IP Copay?
 # Days (1-10): 4
 Begin Primary Care Cost-Sharing After a Set Number of Visits?
 # Visits (1-10): _____
 Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?
 # Copays (1-10): _____

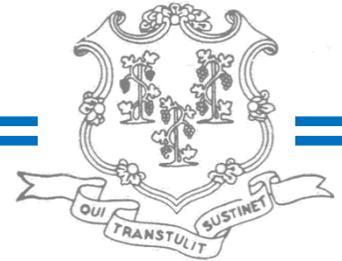
Output

Calculate

Status/Error Messages: Calculation Successful

User Guide AV Calculator Platinum Cont. Table - Medical Gold Cont. Table - Medical Silver Cont. Table - Medical Bronze Cont. Table - Medical

Standard Plan Design - AV Calculator



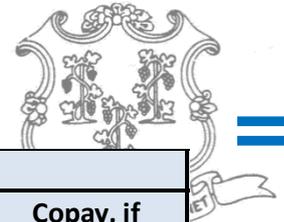
User Inputs for Plan Parameters

- Use Integrated Medical and Drug Deductible?
- Apply Inpatient Copay per Day?
- Apply Skilled Nursing Facility Copay per Day?
- Use Separate OOP Maximum for Medical and Drug Spending?
- Indicate if Plan Meets CSR Standard?
- Desired Metal Tier

HSA/HRA Options	
HSA/HRA Employer Contribution?	<input type="checkbox"/>
Annual Contribution Amount:	

Tier 1 Plan Benefit Design			
	Medical	Drug	Combined
Deductible (\$)	\$2,500.00	\$200.00	
Coinsurance (% , Insurer's Cost Share)	100.00%	100.00%	
OOP Maximum (\$)	\$6,250.00		
OOP Maximum if Separate (\$)			

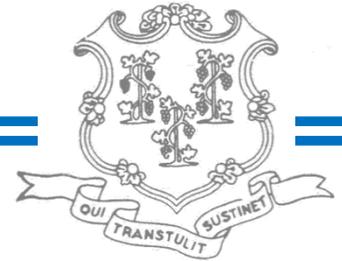
Standard Plan Design - AV Calculator



[Click Here for Important Instructions](#)

Type of Benefit	Tier 1			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
Medical	<input type="checkbox"/> All	<input type="checkbox"/> All		
Emergency Room Services	<input type="checkbox"/>	<input type="checkbox"/>		\$150.00
All Inpatient Hospital Services (inc. MHSA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$500.00
Primary Care Visit to Treat an Injury or Illness (exc. Well Baby, Preventive, and X-rays)	<input type="checkbox"/>	<input type="checkbox"/>		\$30.00
Specialist Visit	<input type="checkbox"/>	<input type="checkbox"/>		\$45.00
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	<input type="checkbox"/>	<input type="checkbox"/>		\$30.00
Imaging (CT/PET Scans, MRIs)	<input type="checkbox"/>	<input type="checkbox"/>		\$75.00
Rehabilitative Speech Therapy	<input type="checkbox"/>	<input type="checkbox"/>		\$30.00
Rehabilitative Occupational and Rehabilitative Physical Therapy	<input type="checkbox"/>	<input type="checkbox"/>		\$30.00
Preventive Care/Screening/Immunization	<input type="checkbox"/>	<input type="checkbox"/>	100%	\$0.00
Laboratory Outpatient and Professional Services	<input type="checkbox"/>	<input type="checkbox"/>		\$30.00
X-rays and Diagnostic Imaging	<input type="checkbox"/>	<input type="checkbox"/>		\$45.00
Skilled Nursing Facility	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$500.00
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$500.00
Outpatient Surgery Physician/Surgical Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Drugs	<input checked="" type="checkbox"/> All	<input type="checkbox"/> All		
Generics	<input type="checkbox"/>	<input type="checkbox"/>		\$10.00
Preferred Brand Drugs	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$25.00
Non-Preferred Brand Drugs	<input checked="" type="checkbox"/>	<input type="checkbox"/>		\$40.00
Specialty High-Cost Drugs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	50%	

Standard Plan Design - AV Calculator



Options for Additional Benefit Design Limits:

Do Not Allow Copays to Exceed Service Unit Cost?	<input checked="" type="checkbox"/>
Set a Maximum on Specialty Rx Coinsurance Payments?	<input type="checkbox"/>
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	<input checked="" type="checkbox"/>
# Days (1-10):	4
Begin Primary Care Cost-Sharing After a Set Number of Visits?	<input type="checkbox"/>
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	<input type="checkbox"/>
# Copays (1-10):	

Output

Calculate

Status/Error Messages:

Actuarial Value:

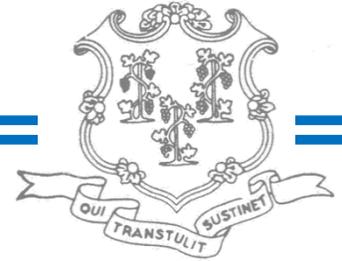
Metal Tier:

Calculation Successful.

71.2%

Silver

Standard Plan Design



Analysis and Development of Standard Plan Designs:

- Public Input
 - Affordability
 - Reasonable out-of-pocket costs and premiums
 - Desire for separate deductibles
 - Simple and transparent cost sharing requirements
- Recognition of Tradeoffs
- Preference for Care Outside of Institutions
 - Remove barriers to use primary care
 - Deductible on institutional settings only
- Use of copays
 - Minimize use of co-insurance
- Separate Deductibles
 - Medical Benefits
 - Drugs

Standard Plan Design

SUMMARY OF METAL TIERS



	Bronze - 60 AV	Silver - 70 AV	Gold - 80 AV	Platinum - 90 AV
Computed Actuarial Value (using HHS AV Calculator)	62.7%	71.2%	81.8%	90.2%
Deductible(s)				
Medical Benefit	\$ 4,000	\$ 2,500	\$ 500	n/a
Prescription Drug Benefit	250	200	150	n/a
Out-of-Pocket Maximum	\$ 6,250	\$ 6,250	\$ 5,000	\$ 5,000
Medical Benefits	<i>Subject to Deductible</i>	<i>Subject to Deductible</i>	<i>Subject to Deductible</i>	<i>Subject to Deductible</i>
Office Visits				
Preventive Care/Screening/Immunization	\$ -	\$ -	\$ -	\$ -
Primary Care Visit to Treat an Injury or Illness	30	30	20	15
Specialist Visit	45 ✓	45	45	30
Mental Health Visits	30	30	20	15
Rehabilitative Services (inc. PT, OT, ST)	30 ✓	30	20	15
Laboratory Services	30 ✓	30	20	15
X-Rays	45 ✓	45	45	30
High-Tech Imaging (CT/PET Scans, MRIs)	75 ✓	75	75	50
Emergency Room Services	150 ✓	150	150	100
Inpatient Admission	500 ✓	500 ✓	500 ✓	250
<i>Apply Inpatient Copay Per Day</i>	<i>yes - max 4</i>	<i>yes - max. 4</i>	<i>yes - max 4</i>	<i>yes - max 4</i>
Outpatient Surgery	500 ✓	500 ✓	500 ✓	250
Skilled Nursing Facility	500 ✓	500 ✓	500 ✓	250
<i>Apply SNF Copayment per Day</i>	<i>yes</i>	<i>yes</i>	<i>yes</i>	<i>yes</i>

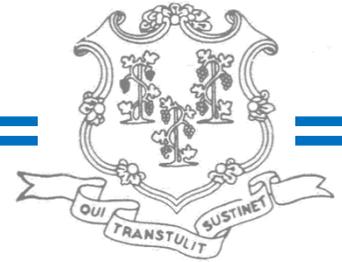
Standard Plan Design

SILVER -

Cost Sharing Reduction

	Silver Alternatives (i.e. Cost Sharing Reduction Plans) [1]			
	Silver - 70 AV	Silver - 73 AV	Silver - 87 AV	Silver - 94 AV
	\$2,500 deductible on IP/OP Hospital ; \$200 Rx deductible, waived on generic drugs with 10/25/40 Rx copays (with 50% coinsurance on injectables and high cost specialty drugs)	Exclusive to Households with Income of 200-250% of FPL	Exclusive to Households with Income of 150-200% of FPL	Exclusive to Households with Income of 100-150% of FPL
Computed Actuarial Value (using HHS AV Calculator)	71.2%	74.0%	87.8%	94.4%
Deductible(s) [3]				
Medical Benefit	2,500	2,250	500	-
Prescription Drug Benefit	200	150	-	-
Out-of-Pocket Maximum [4]	\$ 6,250	\$ 5,200	\$ 2,250	\$ 2,250
Medical Benefits				
	<i>Subject to Medical Deductible</i>	<i>Subject to Medical Deductible</i>	<i>Subject to Medical Deductible</i>	<i>Subject to Medical Deductible</i>
Office Visits				
Preventive Care/Screening/Immunization	\$ -	\$ -	\$ -	\$ -
Primary Care Visit to Treat an Injury/Illness	30	20	15	5
Specialist Visit	45	45	30	15
Mental Health Visits	30	20	15	5
Rehabilitative Services (inc. PT, OT, ST) [5]	30	20	15	5
Laboratory Services [6]	30	20	15	5
X-Rays	45	45	30	15
High-Tech Imaging (CT/PET Scans, MRIs)	75	75	50	50
Emergency Room Services	150	100	100	75
Inpatient Admission	500	500	250	250
Apply Inpatient Copay Per Day	yes - max. 4	yes - max. 2	yes - max. 2	yes - max. 2
Outpatient Surgery	500	500	250	250
Skilled Nursing Facility	500	500	250	250
Apply SNF Copayment per Day	yes	yes	yes	no

Standard Plan Design - Drugs



	Bronze - 60 AV	Silver - 70 AV	Gold - 80 AV	Platinum - 90 AV
Computed Actuarial Value (using HHS AV Calculator)	62.7%	71.2%	81.8%	90.2%
Prescription Drug Benefit	Subject to Rx Deductible			
Tier 1 (i.e. Generics)	\$ 10	\$ 10	\$ 10	\$ 10
Tier 2 (i.e. Preferred Brand Drugs)	25 ✓	25 ✓	25 ✓	15
Tier 3 (i.e. Non-Preferred Brand Drugs)	40 ✓	40 ✓	40 ✓	40
Specialty Tier (i.e. Speciality High-Cost Drugs)	50% ✓	50% ✓	50% ✓	50%

	Silver - 70 AV	Silver Alternatives (i.e. Cost Sharing Reduction Plans) [1]		
		Silver - 73 AV	Silver - 87 AV	Silver - 94 AV
	\$2,500 deductible on IP/OP Hospital ; \$200 Rx deductible, waived on generic drugs with 10/25/40 Rx copays (with 50% coinsurance on injectables and high cost specialty drugs)	Exclusive to Households with Income of 200-250% of FPL	Exclusive to Households with Income of 150-200% of FPL	Exclusive to Households with Income of 100-150% of FPL
Computed Actuarial Value (using HHS AV Calculator)	71.2%	74.0%	87.8%	94.4%
Prescription Drug Benefit	Subject to Rx Deductible	Subject to Rx Deductible	Subject to Rx Deductible	Subject to Rx Deductible
Tier 1 (i.e. Generics)	\$ 10	\$ 10	\$ 5	\$ 5
Tier 2 (i.e. Preferred Brand Drugs)	25 ✓	25 ✓	15	15
Tier 3 (i.e. Non-Preferred Brand Drugs)	40 ✓	40 ✓	30	30
Specialty Tier (i.e. Speciality High-Cost Drugs)	50% ✓	50% ✓	40	40

Standard Plan Design

Other Benefits



Additional Benefits (Not necessarily included in AV Calculator)	Bronze - 60 AV	Silver - 70 AV	Gold - 80 AV	Platinum - 90 AV
	Subject to Deductible	Subject to Deductible	Subject to Deductible	Subject to Deductible
Emergency and Urgent Care Services				
Emergency Room <i>Same copay applies both In- and Out-of-Network</i> <i>Copay waived if admitted to hospital</i>	\$ 150 ✓	\$ 150	\$ 100	\$ 75
Urgent Care <i>No out-of-network coverage unless outside of service area</i>	75 ✓	75	50	50
Walk-In Centers <i>Applicable office visit copayment</i>	50 ✓	50	50	50
Ambulance	0 ✓	0	0	0
Prenatal and Postnatal OB/GYN <i>For maternity services related to pre- and post-natal care, copays limited to 12 office visits for a pregnancy.</i> <i>Copay does not apply to any preventative care recommended by the U.S. Preventative Services Taskforce that must be provided at 100% cost sharing and not be subject to deductible (e.g. iron deficiency anemia in asymptomatic pregnant women; screening for Chlamydial infection, Syphilis, Gonorrhea, Hepatitis B; tobacco-use counseling).</i>	30 ✓	30	20	15

Standard Plan Design

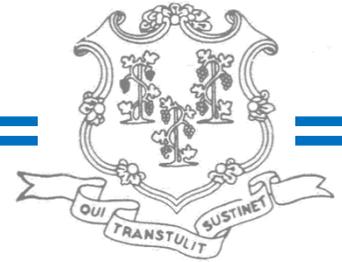
Other Benefits



	Bronze - 60 AV	Silver - 70 AV	Gold - 80 AV	Platinum - 90 AV
Additional Benefits (Not necessarily included in AV Calculator)	<i>Subject to Deductible</i>	<i>Subject to Deductible</i>	<i>Subject to Deductible</i>	<i>Subject to Deductible</i>
Chiropractic Services <i>20 visit limit per member per year</i>	45 ✓	45	45	30
Cardiac Rehabilitation	30 ✓	30	20	15
Habilitative Services <i>For treatment of children with Autism Spectrum Disorders</i>	30 ✓	30	20	15
Home Health Care <i>200 visit limit per member per year Copay limited to first 80 visits</i>	15 ✓	15	10	15
Hospice Services <i>Copay applies per day (up to 4 days)</i>	500 ✓	500 ✓	250	250
Allergy Services				
Office Visit and/or Injections	45 ✓	45	45	30
Prosthetics	50% ✓	50%	50%	50%
Durable Medical Equipment	50% ✓	50%	50%	50%
Diabetic supplies and equipment <i>Insulin and certain medical supplies used to inject insulin, such as syringes and oral diabetes drugs, are covered under Rx benefit</i>	50% ✓	50%	50%	50%
Diabetics Education <i>Applicable office visit copayment</i>	30/45	30/45	20/45	15/30
Pediatric Vision				
Eye Exam <i>Out-of-Network: reimbursed up to fair health rate less copay</i>	30	30	0	0
Glasses	1 pair per year			

Σ

Standard Plan Design

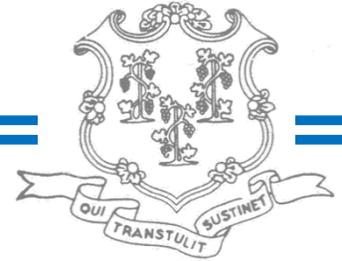


Lessons Learned:

- Tradeoffs – If you lower one variable, you must adjust other variables to maintain the AV
- Relationship of Plan Design to Premium – Plan design is only part of how rates are determined
 - Rates also depend on networks, contracts, and utilization assumptions
- Affordability
 - AV Calculator is hard disciplinarian – drives deductible and copay options.
 - Premium rates remain a concern
- Additional Questions Raised
 - Consumer Shopping Experience and Education
 - Exchange relationship with Medicaid
 - Non-Standard Plan parameters

Staff is working to provide written answers to questions raised in this process. Staff will post answers on website.

Standard Plan Design



Next Steps – February:

- Out of Network Standard Benefits
 - CCIO Input required on Out of Pocket Maximum options
 - Actuarial Input required on Premium impact of deductible and coinsurance options
- Stand Alone Dental Standard Plan Design
 - No AV Calculator for these

Next Steps – Future:

- Incorporate Emerging Guidance
 - CCIO Final Rules
 - Connecticut State Regulations