



Washington Health Benefit Exchange

Update on Cascade Care: Standard Plan Designs & Next Steps

Joint Select Committee on Health Care Oversight

December 11, 2019

Cascade Care Background

- SB 5526 was a response to rising premiums and deductibles and declining enrollment in the individual market
 - Non-subsidized enrollees paying up to 32% of their average monthly income on premiums
 - Nearly 60k enrollees in a plan with a deductible over \$9,000
- Actions impacting rates and stability have included:
 - Ending of federal reinsurance
 - Elimination of funding for cost sharing reductions but not requirement that carriers fund reductions
 - Elimination of penalty for individual mandate
 - Uncertainty – the thing carriers like the least
- Needed to offer more affordable health plan options for consumers, and strengthen the individual market through carrier participation, more valuable product offerings, and enrollment growth



Cascade Care

3 Main Parts:

1. Standard Plans: Goal to make care more accessible by lowering deductibles, making cost-sharing more transparent, and providing more services before the deductible.
2. Public Option Plans: Goal to make more affordable (lower premium) options available across the state, that also include additional quality and value requirements
3. Subsidy Study: Goal to develop and submit a plan for implementing premium subsidies through Exchange for individuals up to 500% FPL (due to Legislature by Nov. 15, 2020)



Standard Plans

- Starting in plan year 2021, Qualified Health Plan (QHP) carriers must offer at least one gold and one silver standardized plan, and one bronze if any bronze product is offered
- Carriers may continue to offer non-standardized plans
 - HBE, with the Office of the Insurance Commissioner, required to study the impact of offering only standard plans (due to Legislature by December 1, 2023)
- State procured public option plans must incorporate standard plan design
- Standard plan designs can be updated annually as needed; must provide notice to carriers by January 31 and include a public comment period



Three Different Types of Health Plans in the Exchange in 2021: Non-Standard Plans, Standard Plans, and Public Option Plans

	Non-Standard Plans	Standard Plans	Public Option Plans (Standard Plans Plus)
Offered through the Exchange and eligible for federal tax subsidies	✓	✓	✓
Subject to full regulatory review by OIC, including network adequacy and rate review requirements	✓	✓	✓
Adheres to 19 Exchange certification criteria for QHPs	✓	✓	✓
Meets federal actuarial value requirements for metal levels	✓	✓	✓
Includes Essential Health Benefits	✓	✓	✓
Uses plan design with deductibles, co-pays, and co-insurance amounts set by Exchange for each metal level (bronze, silver, gold)		✓	✓
Some services guaranteed to be available before the deductible		✓	✓
Allows consumers to easily compare plans based on premium, network, quality, and customer service		✓	✓
Procured by HCA (Could result in one or more plans per county)			✓
Required to incorporate Bree Collaborative and Health Technology Assessment program recommendations			✓
Caps aggregate provider reimbursement at 160% of Medicare			✓
Subject to a floor on reimbursement for primary care services (135% of Medicare) and reimbursement of rural hospitals (101% of cost)			✓
Requires carriers to offer a bronze plan (in addition to silver and gold)			✓
Carriers required to offer to participate in the Exchange		✓	5

Standard Plan Development Process

- Ongoing close collaboration with HCA and OIC – regular Cascade Care implementation meetings
- Exchange convened a workgroup including carriers, consumer advocates, providers, and business and labor representatives to inform the plan design process
- Exchange consulted with carrier workgroup to solicit technical feedback on plan designs
- Exchange contracted with Wakely Consulting to conduct actuarial analysis of plan designs
- Public comment period on standard plan designs was held from October 18 – November 18
- Standard plan designs unanimously approved by Exchange Board on December 5
- Open and transparent process – all materials available at:
<https://www.wahbexchange.org/about-the-exchange/cascade-care-2021-implementation/>



2021 Standard Plan Designs: Key Outcomes

- Lower deductibles, particularly in gold and silver plans
- Provide more access to services before the deductible (first dollar coverage)
 - Including preventive care, primary care, urgent care, mental/behavioral health services and generic drugs
- Provide bronze plans that include high-value services before the deductible, at a potentially lower price point
- Provide high-value options for consumers in every county
- Maximize federal premium tax credits (silver plan design)
- Establish a strong foundation for the public option



2021 Standard Plan Designs

Benefits	Standard Gold	Standard Silver	Standard Bronze
Deductible (\$)	\$500	\$2,400	\$5,700
MOOP (\$)	\$5,750	\$7,900	\$8,150
Emergency Room Services	\$400	\$800	40%
Urgent Care	\$35	\$65	\$100
All Inpatient Hospital Services (inc. MH/SUD,Maternity)	\$500*	\$800*	40%
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	\$15	\$25	\$45
Specialist Visit	\$35	\$65	\$90
Mental/Behavioral Health and Substance Use Disorder Outpatient Services	\$15	\$25	\$45
Advanced Imaging (CT/PET Scans, MRIs)	\$300	30%	40%
Speech Therapy	\$20	\$40	40%
Occupational and Physical Therapy	\$20	\$40	40%
Preventive Care/Screening/Immunization	\$0	\$0	\$0
Laboratory Outpatient and Professional Services	\$15	\$35	40%
X-rays and Diagnostic Imaging	\$25	\$60	40%
Skilled Nursing Facility	\$300**	\$800**	40%
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	\$300	\$600	40%
Outpatient Surgery Physician/Surgical Services	\$50	\$200	40%
Generics	\$10	\$20	\$30
Preferred Brand Drugs	\$55	\$70	40%
Non-Preferred Brand Drugs	\$90	\$200	40%
Specialty Drugs (i.e. high-cost)	\$90	\$200	40%
Ambulance	\$375	\$375	40%
Routine Eye Exam for Children	\$0	\$0	\$0
All Other Benefits	20%	30%	40%
Federal AV	81.74%	71.29%	63.36%

*Per day copay, limit of 5 copays per stay; ** Per day copay
Shaded items are not subject to the deductible



Comparison Chart: Standard Plans vs. 2020 Exchange Plans

This chart estimates the differences in premium, deductible, and services before the deductible between an existing 2020 plan and the standard plan at each metal level for a 40-year old unsubsidized enrollee in King County. Premium impacts are estimated utilizing methodology developed by Wakely Consulting.

Metal Level		2020 Comparison Plan	Proposed 2021 Standard Plan	Difference between Standard Plan and 2020 Comparison
Gold*	Monthly Premium	\$455.73	-	+5.6%
	Deductible	\$1,150	\$500	-\$650
	Services before the deductible	Unlimited visits for 2 service types; 5 total visits for 4 service types	Unlimited visits for 14 service types	Standard plan: No restrictions on number of visits for pre-deductible services; 8 additional services with pre-deductible coverage
Silver*	Monthly Premium	\$373.04	-	+1.0%
	Deductible	\$7,050	\$2,400	-\$4,650
	Services before the deductible	Unlimited visits for 6 service types	Unlimited visits for 11 services types	Standard plan: 5 additional services with pre-deductible coverage
Bronze**	Monthly Premium	\$288.96	-	-0.2%
	Deductible	\$6,800	\$5,700	-\$900
	Services before the deductible	Unlimited visits for 4 service types	Unlimited visits for 4 service types	No change

*Comparison plan is 2020 plan with most enrollment in 2019

**Comparison plan is plan with lowest premium for 2020

Illustrative Silver Plan Scenario

- Taylor is a 53-year-old early retiree in Chelan County who has a chronic condition that requires a daily drug, monthly lab tests, and bi-monthly visits to his primary care provider.
- Taylor enrolls in a silver plan during open enrollment because of his ongoing health needs.
- In September, Taylor experiences an episode and goes to urgent care where he is given a drug to bring his blood levels back to normal. After this incident, Taylor schedules an extra appointment with his primary care provider.



Silver Plan Scenario (continued)

- Taylor’s out-of-pocket spending with the most popular silver plan in Chelan County and the standard silver plan is shown below:

Medical Service/Treatment	Allowed Amount	OOP Amount Paid by Patient (2020 Silver Plan)	OOP Amount Paid by Patient (Standard Silver Plan)
Plan Deductible		\$7,050	\$2,400
Bi-Monthly Primary Care Visit	\$106 / visit	\$30 copay / visit	\$25 copay / visit
Maintenance Prescription (Generic)	\$17 / Rx	\$15 copay /month	\$17 copay / month
Monthly Blood Test	\$85 / month	\$85 (toward deductible) / month	\$35 copay / month
Urgent Care	\$185	\$60 copay	\$65 copay
Medication administered	\$150	\$50 copay	\$70 copay
Follow-up with Primary Care Provider	\$106 / visit	\$30 copay	\$25 copay
TAYLOR’S OUT-OF-POCKET COST		\$1,520	\$934

Services shaded in blue are not subject to the deductible

* Allowed amount refers to the full amount that a provider gets paid by the insurer for a certain service, as agreed upon between the insurer and provider. This includes what a patient might pay in cost-sharing. Billed charges are relevant for deductibles and coinsurance. Bill price is based on median price in Washington State based on data from wahealthcompare.com and only reflects an estimate for purposes of these scenarios.



Estimated Premium Impacts of Standard Plans

Note: Estimates do not include the potential impacts of public option plans (the procurement or the 160% benchmark requirement). Results will vary by carrier.

Metal Level	Average Weighted Premium Change*
Standard Bronze	-0.9%
Standard Silver	0.87%
Standard Gold	4.63%



* Estimated premium impacts calculated using Wakely Consulting's pricing model with results weighted for 2019 enrollment using 2020 rates.

Lessons Learned to Date

- Flexibility to require two standard plans at each metal level would help more consumers
- Current requirement that standard silver plan sets floor of AV of all silver plans is an important consumer protection and maximizes tax credits
- Affordability should remain an area of focus
 - Shorter Term: premium subsidies
 - Longer Term: curb the rising cost of health care



Next Steps

- 2021 standard plan designs will be used by HCA in their public option procurement
 - Plan designs will be adjusted slightly in 2020 to comply with federal regulations
- Exchange will develop marketing and outreach materials for Cascade Care, informed by focus groups and consumer testing
 - Goal to develop tools and materials that will help consumers select a plan based on factors that are important to them –such as, cost, network, customer service, and quality.
- Exchange will begin work on the plan for implementing premium subsidies through Exchange (due to Legislature by November 15, 2020)



Questions?

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Appendix

Standard Plan Designs: Feedback Received

- Major themes of public comment
 - Majority of comments indicated general support of the plan designs, especially co-pay structure in gold and silver plans
 - General concern over affordability of premiums in the Exchange
 - Plan designs not different enough from current offerings
 - Desire for plans that provide access to services before the deductible
- Themes of Standard Plan Workgroup/Carrier feedback
 - General support of publishing one standard plan per metal level
 - Majority of members favored higher value plans at each metal level
 - Carriers emphasized need to be able to offer non-standard silver plans (at or above the standard silver plan AV, per legislation)
 - Majority of members urged Exchange not to design bronze standard plan as HSA-compatible
 - Carriers provided helpful detailed feedback



2020 Exchange Legislative Priorities

- Emphasis is on delivering on commitments from the 2019 session, including COFA Dental and Cascade Care (SB 5526)
- Annual Cost Allocation DP has been submitted (maintenance level, net-zero adjustment to reflect updated federal Advanced Planning Document)
- Actively engaged in the HHS IT Coalition (DCYF, DOH, DSHS, HBE, HCA), which is exploring longer-term, collaborative opportunities to improve the customer/client application and eligibility experience



2020 Exchange QHPs - Metal Level Overview

9 QHP Issuers | 66 QHPs

Gold

76%-82% AV

- 9 Issuers
- 15 Plans

Silver

66%-72% AV

CSRs available

- 9 Issuers
- 21 Plans

Bronze

56%-65% AV

- 9 Issuers
- 26 Plans

Catastrophic

Only through the Exchange
Under age 30 or hardship
No tax credits

- 4 Issuers
- 4 Plans



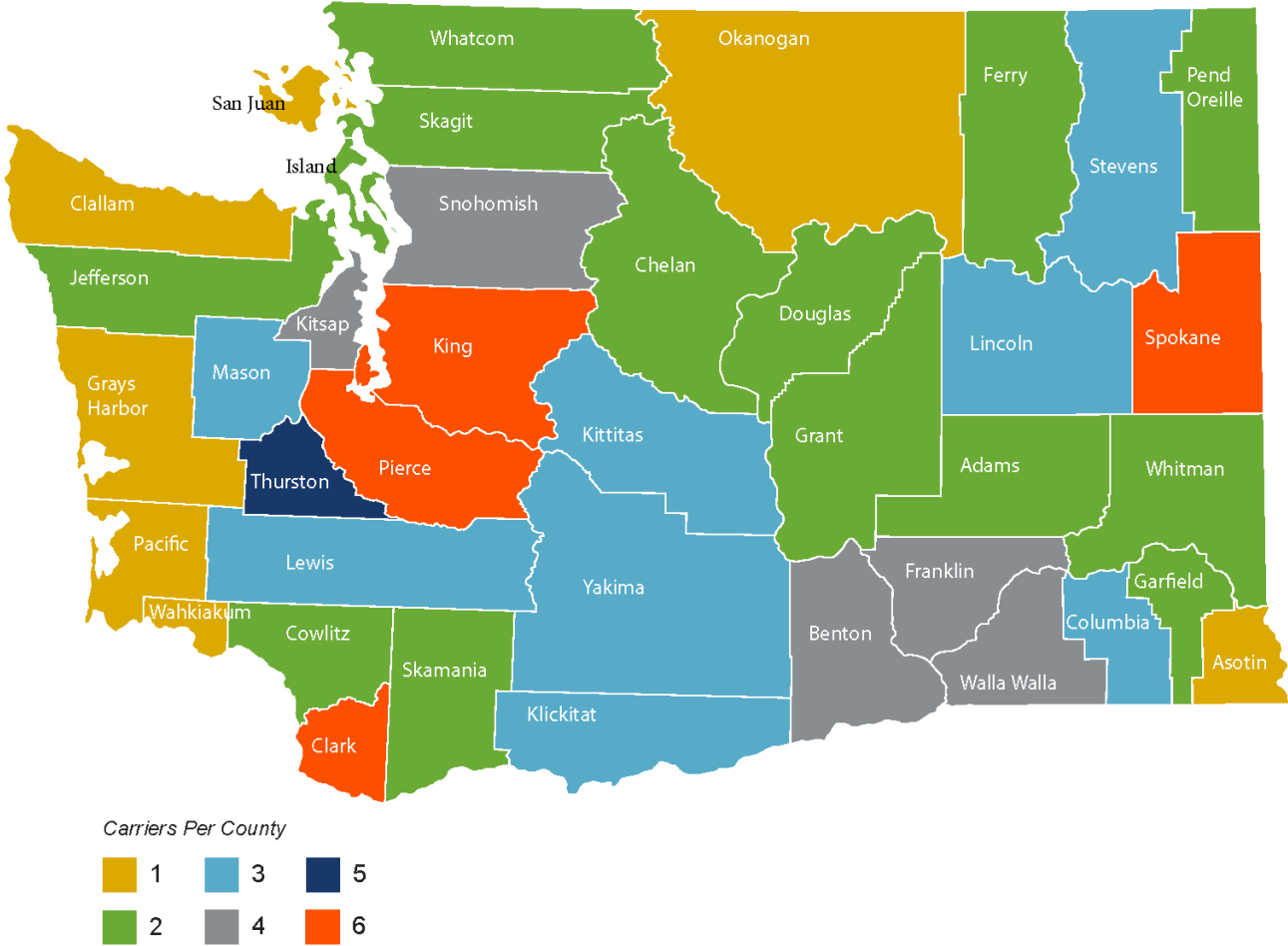
2020 Plan Offerings

Carrier	Gold	Silver	Bronze	Catastrophic
BridgeSpan Health Company	4	4	12	
Coordinated Care Corporation	2	7	1	
Kaiser Foundation Health Plan of Washington	1	2	2	1
Kaiser Foundation Health Plan of the Northwest	2	1	3	1
LifeWise Health Plan of Washington	1	2	2	1
Molina Healthcare of Washington	1	1	1	
PacificSource Health Plans*	1	1	2	1
Premera Blue Cross	2	1	2	
Providence Health Plan*	1	1	1	



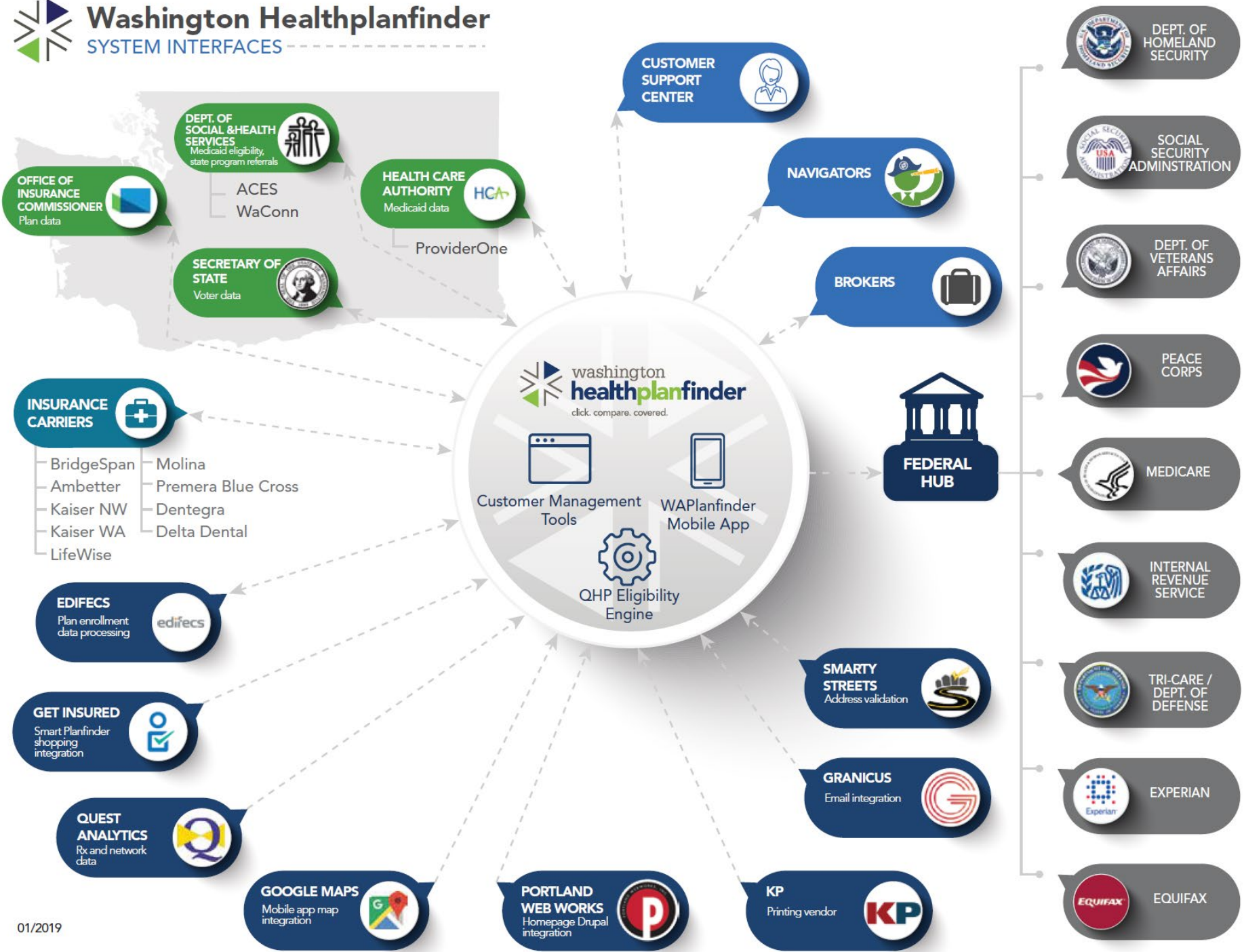
**new Exchange carrier in 2020*

Number of 2020 Exchange Carriers by County



Washington Healthplanfinder

SYSTEM INTERFACES



Understanding Our Customers

Usability Testing

Consumers test upcoming system changes before they are implemented.



Surveys

The Exchange solicits feedback from customers and assists through surveys of:

- All Customers
- New Customers
- Customers Who Did Not Renew
- Customers with Limited English Proficiency
- Navigators
- Brokers



Expert Review

Exchange staff enlist design experts to: review system designs for clarity and ease of use; share existing best practices; and provide design recommendations.



Focus Groups

The Exchange tests messaging with groups of residents including:

- Existing customers
- Outside market customers
- Uninsured residents



Other

- Social Media
- Web & Mobile Analytics
- Marketing & Outreach Events





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