

Email suggesting a Standard Plan Design Team.

From: VanLoon, Peter [<mailto:Peter.VanLoon@ct.gov>]

Sent: Friday, December 21, 2012 2:18 PM

To: Grant Ritter; PAMELA RUSSEK Dowling, Anne Melissa; [Mark Espinosa](#); Barrett, Tanya; Veltri, Victoria; Mark Czarnecki

Cc: Counihan, Kevin; Lyons, Julie; Madrak, Jason; Porter, Grant; Lopes, Ann

Subject: Standard Plan Designs - By Metal Tier

One of our critical items is finalizing the standard benefit designs for each of the metal tiers.

We will shortly go out on our website with a draft/first cut for each tier. The provision of the Actuarial Value Calculator by the Feds in the last couple weeks has given us the tool we needed to ensure any plan design is correctly attributed to a metal tier. .

There are many variables at work – deductibles, limits, state requirements.

We believe each Advisory Committee has a deep interest in how plans may be standardized. All want plans that serve consumers and balance the many competing perspectives.

I would like to recommend that each Advisory Committee volunteer one member to work with the staff on standardized plan designs. My rationale is that a smaller group is needed rather than attempting to engage each Advisory committee by itself.

I also suggest we go to the current carriers in the state and ask for a representative, and ask for another from HealthyCT. Further, I would like CID to participate, if not in a full capacity at least an oversight capacity – to ensure any recommended designs are in compliance with state law. Each individual committee member would not just serve on the committee, but also report back and engage their respective committees and constituencies for their input. .

We envision getting this group together the week after New Years to review the draft designs and ensure everyone has the same ability to use the AV calculator tool, and determine how to provide input prior to the next Board of Directors meeting on January 24, 2013.

Do you think volunteering one person from each Advisory Committee is a good suggestion? If so, can you provide me the name of your volunteer?

Peter A. Van Loon
Chief Operating Officer
Connecticut Health Insurance Exchange
peter.vanloon@ct.gov
O-860-418-6407
C-860-478-4436

Email constituting a Standard Plan Designs team

From: VanLoon, Peter

Sent: Friday, December 28, 2012 10:53 AM

To: Barrett, Tanya; Dowling, Anne Melissa; [Mark Espinosa](#); Veltri, Victoria; Grant Ritter; PAMELA RUSSEK ('Mark Czarnecki')

Cc: [Dr Robert McLean](#); Steve Frayne; Arlene Murphy; Kevin Galvin; Lyons, Julie; Breault, Mary Ellen; Lyons, Timothy; Porter, Grant; Alta Lash; Lopes, Ann; Madrak, Jason; Williams, Danielle S; Stauffer, Kecia; Shane, Kelly; Counihan, Kevin; Wadleigh, James R; Lynch, David G.; Lamb, Virginia; Lachowicz, Margo; Tibor, Amy; Sigal, Steven J

Subject: Standard Plan Designs team

Co-Chairs:

Thank you for your approval to get a small team together to represent the ACs and other stakeholders to help determine the best standardized benefit plans. I did get feedback from several co-chairs to expand the team from one to two from each Advisory committee. The additional person would help ensure the needed broad set of expertise and perspective are incorporated. Here is what I have now for team members;

Broker/Navigator(Mark Czarnecki):

1. Steve Glick
- 2.

Shop(Grant Ritter/Pam Russek):

1. Grant Ritter
2. Kevin Galvin

Consumer Outreach and Education(Vicki Veltri/Tanya Barrett):

1. Arlene Murphy
2. Alta Lash(nominated, not confirmed)

Health Plan and Benefits(Anne Melissa Dowling/Mark Espinosa):

1. Robert McLean M.D.
2. Stephen Frayne

We are reaching out to get a carrier rep, and also one from HealthyCT. We also are fortunate to have Mary Ellen Breault and Tim Lyons from CID to keep us on track with state laws and regulations.

Attached you have our initial document laying out parameters and initial standard plans for each metal tier. I would like to suggest people focus initially on the Bronze and Silver plans, as we think those will be the most popular due to cost and subsidies. We believe focusing on plan designs for the Individual and Family market is also wise, as that discussion will inform what we should offer in the Small Employer Health Option(SHOP) program.

There are two main criteria for determining a standard plan – 1) Actuarial Value(AV) Calculator and 2) Adherence to State and Federal laws/regs.

Actuarial Value Calculator

The Feds have put out the calculator by which we can determine if the plan design meets the value by metal tier. The permutations and calculations of deductible and OOP limits are many. Keeping the AV within two(2) points of each metal tier target requires tradeoffs. We will set up a time to walk through the AV calculator but I ask that your committee members start the process with some self-study. A primer is included as Appendix C of the attached.

<http://cciio.cms.gov/resources/EHBBenchmark/av-calculator-final-locked-11-20-2012.xlsm>.

Adherence to State/Federal regs

In the attached, we lay out state regulations that impinge what we can offer. We will continue to engage CID to ensure whatever design is determined adheres to state regulations.

Timeline

We believe we must act quickly to get a standard plan designs out to potential carriers so they can get their plans and rates approved by CID. To that end, we are striving to get a definitive standard plan design for each tier before the Board of Directors for approval on January 24. We look to have the team members serve as conduits of information back and forth to their respective advisory committees. The team may want to pull the entire AC team group together to review their ideas. We can determine how the team wants to work on our first meeting.

Initial Meetings of the Small Team– Input on best time for the team is requested –

some AC members in the past have expressed a desire for either early morning or evening meetings. CTHIX staff will accommodate team member schedules. Please let me know if you have a preference for these two days as to time.

January 3rd: Initial conference call. Agenda: Timeline, Roles, Methodology. One hour.

January 8th: Actuarial Value Calculator walkthrough. Webinar and CT HIX office. Two Hours.

Peter A. Van Loon
Chief Operating Officer
Connecticut Health Insurance Exchange
peter.vanloon@ct.gov
O-860-418-6407
C-860-478-4436

Notes from January 3, 2013 Team meeting

From: VanLoon, Peter

Sent: Thursday, January 03, 2013 6:43 PM

To: Barrett, Tanya; Dowling, Anne Melissa; m.a.espinosa; Veltri, Victoria; Grant Ritter; PAMELA RUSSEK (;Mark Czarnecki

Cc: [Dr Robert McLean](#); Steve Frayne; Arlene Murphy; Kevin Galvin; Lyons, Julie; Breault, Mary Ellen; Lyons, Timothy; Porter, Grant; Alta Lash; Lopes, Ann; Madrak, Jason; Williams, Danielle S; Stauffer, Kecia; Shane, Kelly; Counihan, Kevin; Wadleigh, James R; Lynch, David G.; Lamb, Virginia; Lachowicz, Margo; Tibor, Amy; Sigal, Steven J; Bela Gorman; 'Steve Glick; Philip.Boyle

Subject: Standard Plan Designs team meeting January 3rd, 2013

We had our first meeting today with all team members. In addition to HIX staff, we had Mary Ellen Breault from CID, Ken Lalime from HealthyCT, and Bela Gorman, our actuarial consultant. The team asked me to report out to you all at once.

We reviewed the document we sent out to frame the discussion and put out some initial potential designs.

The team understands the time frame we are under to get the Board a recommendation for the January 24th Board Meeting. The need to get something to the carriers to act on and use to develop plans and rate filings was discussed. We reviewed the direction to develop standardized plans, the need for those plans to conform to state and Federal regulations, and that we are constrained to develop plans using the Federal Actuarial Value(AV) Calculator. There was discussion about how different services could be offered to help lower the deductibles faced by consumers, and referred to the staff to incorporate in the next iteration.

The team brought up some points to govern any standard plan:

1. Simple, transparent, and comprehensible to consumers
2. Steer people to Primary Care
 - a. Avoid unnecessary ER visits
3. Lower deductibles are a goal – there was concern about high deductibles but also a recognition we are constrained by the AV calculator.

The team decided to focus on the Silver plan for initial work – with the idea that once the Silver is determined, we can move to Bronze, Gold and Platinum with an understanding of what variables we can adjust to meet those actuarial values.

Next Steps:

1. Staff is charged to develop two Silver scenarios; one using copays and integrated deductible, another using deductibles and coinsurance.
2. Meet next Tuesday to review those scenarios and edit in real time with goal of obtaining agreement.

Peter A. Van Loon

Chief Operating Officer

Connecticut Health Insurance Exchange

peter.vanloon@ct.gov

O-860-418-6407

C-860-478-4436

Notes from January 8, 2013 Team meeting

From: VanLoon, Peter

Sent: Wednesday, January 09, 2013 12:31 PM

To: Barrett, Tanya; Dowling, Anne Melissa; m.a.espinosa; Veltri, Victoria; Grant ritter; PAMELA RUSSEK (;Mark Czarnecki

Cc: [Dr Robert McLean](#); Steve Frayne; Arlene Murphy; Kevin Galvin; Lyons, Julie; Breault, Mary Ellen; Lyons, Timothy; Porter, Grant; Alta Lash; Lopes, Ann; Madrak, Jason; Williams, Danielle S; Stauffer, Kecia; Shane, Kelly; Counihan, Kevin; Wadleigh, James R; Lynch, David G.; Lamb, Virginia; Lachowicz, Margo; Tibor, Amy; Sigal, Steven J; Bela Gorman; 'Steve Glick; Philip Boyle Bruce Campbell; Jennifer Becher; Alex Hutchinson; Ken Lalime

Subject: Standard Plan Designs team meeting January 8th, 2013

The team asked me to report to you.

The team of eight met again last night. The team has expanded to include several carrier representatives in addition to HIX and CID staff. The team continues to use these principles

Simplicity – Standard plans should be simple to understand and to administer

Consumer Focused – Enable consumers to get the basic care they need with the minimum cash expense.

Primary Care Emphasis– Enable people to maintain their health

Methodology

The team is using the Actuarial Value Calculator as provided by the Federal government to guide our plan design. The team continues to focus on agreeing to a Silver plan, and then use that to construct other tiers.

The major determinants of actuarial value are the deductible amount and coinsurance level. In our deliberations we worked to honor our premises listed above. We continue to incorporate Federal and state regulations.

We met last night and worked many scenarios. Some on the team were able to weigh in on the clinical implications, others on the probable consumer implications, several on the marketing attractiveness, and still others on the carrier's perspective on the plans. We came up with a baseline with the benefits below.

Baseline

Our baseline plan utilizes deductibles and coinsurance, with copays on several services. Recognizing the need to motivate people to see their doctor, we assumed copays for primary care, specialty and mental health visits, and also generic drugs. As per the ACA direction, preventive care has no out-of-pocket expense to consumers.

<u>Plan Design</u>	Copay Amount	Subject to Deductible and Coinsurance?
<u>Deductible: \$2,000 Individual/\$4,000 Family</u> <u>Coinsurance Level</u> – Plan pays 75%, Enrollee pays 25% after deductible <u>Maximum Out of Pocket Expense: \$6,250 Individual/\$12,500 Family</u>		
Primary Care Visit to Treat an Injury or Illness (exc. Well Baby, Preventive, and X-rays)	\$35	No

Specialist Visit	\$45	No
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	\$35	No
Emergency Room Services		Yes
All Inpatient Hospital Services (inc. MHSA)		Yes
Imaging (CT/PET Scans, MRIs)		Yes
Rehabilitative Speech Therapy		Yes
Rehabilitative Occupational and Rehabilitative Physical Therapy		Yes
Preventive Care/Screening/Immunization		Yes
Laboratory Outpatient and Professional Services		Yes
X-rays and Diagnostic Imaging		Yes
Skilled Nursing Facility		Yes
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)		Yes
Outpatient Surgery Physician/Surgical Services		Yes
Drugs		
Generics	\$15	No
Preferred Brand Drugs		Yes
Non-Preferred Brand Drugs		Yes
Specialty High-Cost Drugs		Yes

Sensitivities and Alternatives:

The team was concerned with the high deductible, but balanced that out with the use of copays on primary care and specialists. The team realizes that the deductible is often reached with any quantity of inpatient care. For instance, an overnight stay in a hospital, or potentially even an emergency room visit, will meet the deductible and so put the enrollee into the area where they have to pay coinsurance.

We found that by decreasing the deductible or increasing the coinsurance percent paid by the health plan, any plan would have an AV of greater than allowed, i.e. greater than 72%.

We were limited on increasing the copays by the amounts allowed by Connecticut regulation.

If we put more services on a copay level, we would increase the actuarial value of the plan.

Timing:

The team recognizes the time constraint of getting the Board of Directors to approve a plan design on January 24, 2013 in order to meet the needs and development timelines of the carriers, CID, and the HIX itself.

Next Steps:

Our team is meeting this Friday afternoon, January 11, 2013 to work to finalize the Silver Baseline. In the interim, members from the individual ACs are going back to their respective ACs to update on progress and to elicit feedback.

Peter A. Van Loon
 Chief Operating Officer
 Connecticut Health Insurance Exchange

peter.vanloon@ct.gov

O-860-418-6407

C-860-478-4436

Notes from January 11, 2013 Team meeting

From: VanLoon, Peter

Sent: Monday, January 14, 2013 11:20 AM

To: Barrett, Tanya; Dowling, Anne Melissa; m.a.espinosa; Veltri, Victoria; Grant ritter; PAMELA RUSSEK (;Mark Czarnecki

Cc: [Dr Robert McLean](#); Steve Frayne; Arlene Murphy; Kevin Galvin; Lyons, Julie; Breault, Mary Ellen; Lyons, Timothy; Porter, Grant; Alta Lash; Lopes, Ann; Madrak, Jason; Williams, Danielle S; Stauffer, Kecia; Shane, Kelly; Counihan, Kevin; Wadleigh, James R; Lynch, David G.; Lamb, Virginia; Lachowicz, Margo; Tibor, Amy; Sigal, Steven J; Bela Gorman; 'Steve Glick; Philip Boyle Bruce Campbell; Jennifer Becher; Alex Hutchinson; Ken Lalime

Subject: Standard Plan Designs team meeting January 11th, 2013

The team asked me to again report to you.

We met Friday afternoon. The team reiterated the need for simplicity and to incentivize and support primary care as we walked through several scenarios, using permutations and combinations of deductibles, coinsurance and copays. The team reiterated the need to move to get recommendations to the Board of Directors on January 24th. The members of the team had used the time since our meeting on the 8th to engage their respective advisory committees for input and to run scenarios on the Actuarial Value(AV) Calculator.

There is universal concern about affordability. Deductibles of \$2000 Individual/\$4000 Family are viewed as prohibitively expensive. A couple members brought back a concern that carriers were present at team meetings. The discussion quickly focused on getting a viable silver baseline plan adopted.

The team 'level-set' on the use of the AV Calculator. It is known at CCIIO that there are improvements/corrections that must be made to it. Any new edition of the AV calculator will be available months in the future, so we are using the tool that we have. The carrier reps are actuaries, and have pointed out the challenges with the current calculator are minimal, i.e. within one point.

The team discussed how premium subsidies and cost sharing reductions will mitigate the financial impact on people up to 400% and 250% of the FPL, respectively. This discussion lessened but did not end the affordability concerns. The team discussed options, and moved towards a silver baseline plan with copays for services outside of institutions, which were exclusive of any deductible or coinsurance. Inpatient, Outpatient surgery, and Skilled Nursing Facilities have copays also are subject to deductible and coinsurance.

The deductible currently being used(\$2,250 ind/ \$4,500 fam) is integrated – for both drugs and medical benefits. The use of separate deductibles for drugs and medical benefits was deemed of value, but initial thoughts are that such would be outside Connecticut state regulations.

The staff was directed to take the tentative baseline silver plan worked out on Friday and begin to flesh out some other potential silver options, the silver cost-sharing reduction plans, and other metal tiers.

Next Steps:

1. Team meets 7:30AM-9:00AM Tuesday January 15 to review staff recommendations
 - a. Decide on baseline silver plan recommendation
2. Develop other metal tiers and CSR plans using baseline as foundation.

Peter A. Van Loon
Chief Operating Officer
Connecticut Health Insurance Exchange
peter.vanloon@ct.gov
O-860-418-6407
C-860-478-4436

Notes from January 15, 2013 Team meeting

From: VanLoon, Peter

Sent: Tuesday, January 15, 2013 12:51 PM

To: Barrett, Tanya; Dowling, Anne Melissa; 'm.a.espinosa@sbcglobal.net'; Veltri, Victoria; Grant Ritter; 'PAMELA RUSSEK'; 'Mark Czarnecki'

Cc: Dr. Robert McLean; Steve Frayne; Arlene Murphy; Kevin Galvin; Lyons, Julie; Breault, Mary Ellen; Lyons, Timothy; Porter, Grant; 'alta.lash@ucanct.org'; Lopes, Ann; Madrak, Jason; Counihan, Kevin; Wadleigh, James R; Lynch, David G.; Lamb, Virginia; Sigal, Steven J; Bela Gorman Steve Glick'; Philip Boyle; Bruce Campbell; Jennifer Becher; Alex Hutchinson

Subject: Standard Plan Designs team meeting January 15th, 2013

The team met this morning to review the analyses done by the staff as directed from the Friday meeting. We spent most of our time on the Silver plan, and have decided on a baseline on which to build the other metal tiers and the Silver cost sharing reduction plans.

We started with the plan we finished with last Friday – one favoring copays for services, with most of them not subject to the integrated deductible of \$2,250 individual. Inpatient, outpatient, and SNF's had copays subject to the deductible, as did Preferred Brand drugs, Non-preferred Brand drugs, and Specialty high cost drugs.

The team brought up concerns about the need for non-generic drugs, and began to look to balance straight copays for those non-generic drugs with subjecting other services to deductibles. The concern was raised that not subjecting deductibles to coinsurance may not have much change in the AV, but could cause premium to be higher. It was reiterated that the benefits addressed in the AV calculator are incomplete – and we must add basic coverage of such things as durable medical equipment, home health care, etc.

Team members contributed, respectively, their clinical expertise, market knowledge, and consumer advocacy to the discussion. The carriers contributed actuarial expertise, and CID the perspective of what is allowed under state regulation.

The team decided on a recommended baseline Silver plan for an individual with the benefits below.

AV Calculation using HHS AV Calculator	71.6%	
Deductible(s)		
Medical Benefit (if separate)		
Prescription Drug Benefit (if separate)		
Integrated (if applicable)	\$	2,250
Out-of-Pocket Maximum	\$	6,250
	<i>Copay Amount</i>	<i>Subject to Deductible</i>
Medical Benefits		
Office Visits		
Preventive Care/Screening/Immunization	\$ -	
Primary Care Visit to Treat an Injury/Illness	30	
Specialist Visit	45	
Mental Health Visits	30	
Rehabilitative Services (inc. PT, OT, ST)	30	
Laboratory Services	30	
X-Rays and Diagnostic Imaging	45	
High-Tech Imaging (e.g. CT/PET Scans, MRIs)	75	✓
Emergency Room Services	150	
Inpatient Admission	500	✓
<i>Apply Inpatient Copay Per Day</i>	<i>yes</i>	
Outpatient Surgery	500	✓
Skilled Nursing Facility	500	✓
<i>Apply SNF Copayment per Day</i>	<i>yes</i>	
	<i>Copay Amount</i>	<i>Subject to Deductible</i>
Prescription Drug Benefit		
Tier 1 (i.e. Generics)	\$ 10	
Tier 2 (i.e. Preferred Brand Drugs)	25	
Tier 3 (i.e. Non-Preferred Brand Drugs)	40	✓
Specialty Tier (i.e. Speciality High-Cost Drugs)	50%	✓

Next Steps

- 1) Staff to build out Silver Cost Sharing Reduction Plans, and other Metal Tier plans prior to Thursday meeting
- 2) Staff to develop a basic suite of ancillary services, e.g. durable medical equipment, home health care, etc.
- 3) Team meeting on Thursday January 18th to review and approve 1) and 2) above.

Peter A. Van Loon

Chief Operating Officer
Connecticut Health Insurance Exchange
peter.vanloon@ct.gov
O-860-418-6407
C-860-478-4436