

From: VanLoon, Peter

Sent: Wednesday, January 23, 2013 11:07 AM

To: Barrett, Tanya; Dowling, Anne Melissa; Mark Espinosa'; Veltri, Victoria; Grant Ritter; 'PAMELA RUSSEK'; 'Mark Czarnecki'

Cc: Steve Frayne; Arlene Murphy; Kevin Galvin Lyons, Julie; Breault, Mary Ellen; Lyons, Timothy; Porter, Grant; Alta Lash; Lopes, Ann; Madrak, Jason; Counihan, Kevin; Wadleigh, James R; Lynch, David G.; Lamb, Virginia; Sigal, Steven J; Bela Gorman; Dr. Robert McLean; "Steve Glick Philip Boyle; Bruce Campbell; Jennifer Becher; Alex Hutchinson; Johnson, Florence; Stover, Keith; Dawn Horner

Subject: Report to Co-Chairs of Standard Plan Design Team Meeting on January 22, 2013

The team met last night. We reviewed our "Other Benefits" and options the staff generated to take advantage of the Connecticut Insurance Department's recent decision to allow for separate deductibles.

"Other Benefits" are those benefits that are not incorporated into the AV calculator, but which we defined in order to have a more robust standard plan design. These are home health care, durable medical equipment (DME), diabetic education, etc. The team discussed the need to ensure people in need of DME are not penalized, and removed such expenses from being subject to the deductible for all but the bronze plan. The team approved the "Other Benefits" with no negative votes, with seven voting for, and one member not present. The team tasked staff to develop more information about out-of-network benefits for the standard benefit plans to better inform decision-making before they make a decision.

The team discussed the option of using separate deductibles rather than the previously approved integrated deductibles. The team unanimously approved (seven voting for, and one member not present) to supersede the previously approved plans using integrated deductibles. The team believes the separate deductible to be better keeping with its principles of simplicity and consumer focus. Separate deductibles are common in the marketplace now, and having a separate drug deductible is more favorable to those who are on a maintenance drug regimen. There was a recognition that anyone going to the hospital will probably meet their annual deductible, so the tradeoff of a higher medical benefit deductible than with an integrated deductible was a positive tradeoff.

The team approved the standard plan designs using separate deductibles. Six members voted for it, and two were absent. There was a continued concern about the financial impact to people who must have a hospital stay.

Attached are the standard plan designs as approved by the team last night. Staff intends to recommend these to the Board of Directors tomorrow exactly as the team from the Advisory Committees approved.

Appendix A: Standard Plan Designs – Bronze, Silver, Gold, Platinum

Appendix B: Standard Plan Designs – Silver Cost Sharing Plans

Appendix C: Other Benefits

Next Steps:

1. Evening January 23rd: Informational session for all Advisory Committee members. Staff will present the process, parameters and principles used by the team, review actuarial value and its role, and finally the approved standard benefit designs.
2. Morning January 24th: Staff recommends Standard Plan Designs be approved by the Board of Directors

3. February: Engage Team to finalize Out of Network standard plan designs and standard Standalone Dental plan designs

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