
Standardized Benefit Plans: Adjustments for Federal Actuarial Value Calculations and Addition of New Type of Plan

Stakeholder Review

December 11, 2012

	Platinum		Gold		Silver		Bronze	
	Coins	Copay	Coins	Copay	Coins	Copay	Coins	Copay
Actuarial Value	91.8%	90.1%	81.7%	80.5%	71.9%	72.0%	62.0%	62.0%
Medical Deductible	\$ -	\$ -	\$ 500	\$ 500	\$ 1,200	\$ 1,400	\$ 3,500	\$ 4,500
Brand Drug Deductible	\$ -	\$ -	\$ 100	\$ 100	\$ 200	\$ 250		
Coinsurance	90%	90%	80%	80%	70%	70%	60%	60%
OOP Max	\$ 3,000	\$ 3,000	\$ 4,500	\$ 4,500	\$ 6,400	\$ 6,400	\$ 6,400	\$ 6,400
Medical								
Emergency Room Services	\$ 150	\$ 150	\$ 200	\$ 200	\$ 250	\$ 250	\$ 300	\$ 300
All IP Hospital Services	90%	\$ 300	80%	\$ 600	70%	\$ 900	60%	\$ 1,200
Primary Care Visit	\$ 25	\$ 25	\$ 35	\$ 35	\$ 45	\$ 45	\$ 60	\$ 80
Specialist Visit	\$ 25	\$ 25	\$ 35	\$ 35	\$ 45	\$ 45	\$ 60	\$ 80
MH/SA Outpatient Services	\$ 25	\$ 25	\$ 35	\$ 35	\$ 45	\$ 45	\$ 60	\$ 80
Imaging (CT/PET Scans, MRIs)	90%	90%	80%	80%	70%	70%	60%	60%
Rehabilitative Speech Therapy	90%	\$ 25	80%	\$ 35	70%	\$ 45	60%	\$ 80
Rehabilitative Occupational/Physical Therapy	90%	\$ 25	80%	\$ 35	70%	\$ 45	60%	\$ 80
Preventive Care/Screening/Immunization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lab Outpatient and Professional Services	90%	\$ 25	80%	\$ 35	70%	\$ 45	60%	\$ 80
X-rays and Diagnostic Imaging	90%	\$ 50	80%	\$ 100	70%	\$ 150	60%	\$ 200
Skilled Nursing Facility	90%	\$ 150	80%	\$ 200	70%	\$ 250	60%	\$ 300
OP Facility Fee (e.g., ASC)	90%	90%	80%	80%	70%	70%	60%	60%
OP Surgery Physician/Surgical Services	90%	90%	80%	80%	70%	70%	60%	60%
Drugs								
Generics	\$ 5	\$ 5	\$ 10	\$ 10	\$ 20	\$ 20	\$ 25	\$ 25
Preferred Brand Drugs	\$ 15	\$ 15	\$ 20	\$ 20	\$ 30	\$ 30	\$ 50	\$ 50
Non-Preferred Brand Drugs	\$ 25	\$ 25	\$ 35	\$ 35	\$ 50	\$ 50	\$ 75	\$ 75
Specialty High-Cost Drugs	90%	90%	80%	80%	70%	70%	60%	60%

Notes:

Under Copay plans, medical deductibles only apply to institutional services including ASC, Emergency Room, and Imaging (CT/PET Scans, MRIs). For Coinsurance plans, the deductible is waived for one non-preventive care office visit. For all plans, there is no cost sharing for preventive services. For Copay plans, daily Inpatient Hospital copays are limited to 3 days per admission. For the Bronze plans, the Medical and Drug deductibles are integrated, and generic drugs are also subject to the deductible. Coinsurance percentages represent the health plan's payment responsibility.

Process

- Top priority is to make sure plan designs sell well
- Adjusted co-pays and deductibles for each metal tier to meet federal actuarial value requirement
- Will retain urgent care, maternity co-pay cap and other line items from 11/9/12 draft
- Will add pediatric dental and vision benefits cost-sharing later as they don't affect federal actuarial value
- Look at options for co-insurance vs. co-pay per day for inpatient hospital, especially for bronze and silver plans.

Options for Standard Benefit Plan Designs

Dated 11/9/12

Co-payment standard plan design:

- Convert inpatient hospital cost-share from co-insurance to daily co-payment for first three days for co-pay standard plan.
 - Pro: dollar amount instead of percentage
 - Cons: due to 30% Silver and 40% Bronze, dollar amounts are very high and may scare consumers away.
- Maximum out of pocket for bronze and silver is \$6400 (formerly \$6350 and \$5500) to keep more categories as co-payments rather than co-insurance
- Bronze plan now requires a combined medical and drug deductible in order to reach actuarial value
- Retain facility-only deductible except for bronze plans

Options for Standard Benefit Plan Designs Dated 11/9/12

Co-insurance plan design:

- Feature one deductible-waived non-preventive office visit instead of two to keep visit co-payments lower than would otherwise be required
- Maximum out of pocket for bronze and silver is \$6400 (formerly \$6350 and \$5500) to keep more categories as co-payments rather than co-insurance
- Bronze plan now requires a combined medical and drug deductible in order to reach actuarial value

Options for Standard Benefit Plan Designs Dated 11/9/12

- Consider adding third type of standard plan design “Co-Pay 2” which accommodates HMO delivery system which use a single inpatient cost-share that covers both facility and professional services instead of two different co-payments as in “Co-Pay 1”.
 - Pro: California market has two different types of HMO delivery systems and this approach allows standard benefit plan designs for both types of HMO administrative structures.
 - Con: Creates potential confusion for consumers because cost-sharing approach for inpatient services is different for each type of HMO.

Options for Standard Benefit Plan Designs Dated 11/9/12

Other plan design issues to consider:

- Should we set dollar co-payment for imaging instead of co-insurance?
- Retain separate inpatient professional services co-pay for Network HMO plans and ask CCIOO to adjust federal calculator to permit.
- Permit QHP bidders to submit different standardized benefit plan platforms to meet requirement that each QHP bidder submit at least one standard plan for each metal tier.
- Others ?