



Consumer Experience and Outreach Advisory  
Committee - Special Meeting

*August 6, 2015*

# Executive Summary

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- Consumers who purchase health plans from the exchange have only premium and/or net premium to consider in the decision making process
- Consumer Decision Support (CDS) tool will provide consumers enrolling in the exchange with information on total costs instead of the current premium costs
- Total costs consist of enrollees' (net) premium plus out-of-pocket
- Out-of-pocket costs are typically spent as copays, deductibles or coinsurances
- We would like to make this CDS tool an important source of their decision making process, i.e., enable them to consider all types of costs under consideration before making informed decisions
- This tool has components which were already built and maintained in the shopping portal of the [www.accesshealthct.com](http://www.accesshealthct.com). We maintained that continuity and expanded around it to make the experience of using this tool seamless
- We have tried to develop this tool with utmost simplicity in design and contents for the enrollees

# Design Improvements

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- This meeting hopes to bring this tool to your viewing in expectation of receiving your valuable inputs in our effort to improve the functionality, design and usability of the tool
- Your inputs will be also used to ensure that the information generated from this tool is viewed and interpreted with ease
- We hope to incorporate your inputs making this tool better in future versions
- Information used here for costs and utilization of diseases and surgeries are based on actual claims data; however, the data used could not be derived from CT's APCD. The data was procured from a commercial company with data derived from the New England states
- We'll make some corrections to the state-specific trends to make data more comparable; we also believe that the New England states have lot more common pattern of health care utilization relative to each other and is thus representative of what could have been in Connecticut's data
- Once CT's APCD data is in place, the benchmark tables will be updated with state-specific data

# Consumer Decision Support (CDS) Tool - Overview

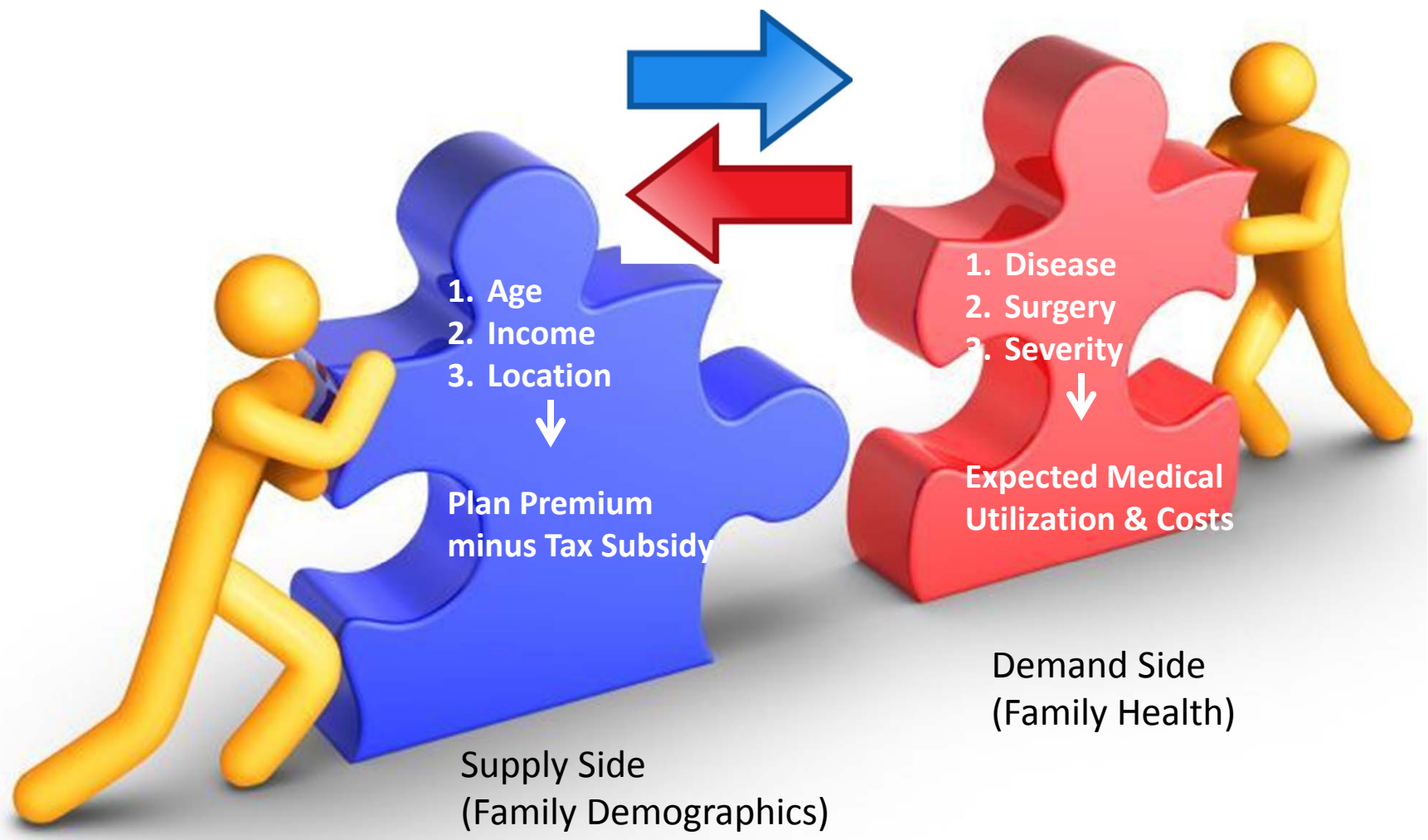
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The CDS Tool fills a critical gap in the plan selection process by providing information on total healthcare costs for making more informed choices

- Enables the Access Health CT consumers to make informed decision to select health plans based on estimated total cost of healthcare
- User provides existing health conditions for QHP eligible household members in addition to basic household composition and income
- CDS Tool estimates out-of-pocket costs for the health conditions along with premium costs
  - Applies QHP / APTC eligibility rules for calculating premium costs
  - Uses utilization and unit costs derived from historical claims data
- CDS Tool provides tabular and graphical representation of the estimated total costs for the household for various health plans available via Access Health CT

# Consumer Decision Support (CDS) Tool - How does it work?

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# CDS Tool - How is Supply Side Determined?

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✓ Supply side is much more well defined. It requires -

- Family / Household Tax Filing Size
- Develops Federal Poverty Line %
- Runs algorithm to determine QHP vs. Medicaid eligibility
- Uses location within state to determine premium rates
- Estimates the 2<sup>nd</sup> lowest silver plan in a county
- Determines maximum amount payable for household for health premium
- Determines APTC (Tax Credit) if eligible for QHP
- Determines if eligible for Cost Savings Reduction plans

# CDS Tool - How is Supply Side Determined?

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- ✓ In addition, this tool includes two refinements not currently present in the anonymous shopping portal -
  - Adds question regarding American Indian or American Native
  - Adds question regarding legal residency status
  - These allow for more accurate determination of plan variants, needed to estimate accurate CSR benefits
  - Supplemental question regarding gender is also added to estimate the demand side more accurately

# CDS Tool - How is Demand Side Determined?

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✓ The demand side of the CDS tool is the expected utilization of medical services and pharmacy scripts, as developed with the following approach -

- Most common diseases and conditions, considered to be chronic and/or long lasting were identified with historical claims data
- Most common elective surgery list was developed
- If people have multiple diseases, we identified such cases so that their utilization of medical services and pharmacy scripts were defined
- Utilization pattern in medical services and pharmacy types were used to define diseases as being low, medium and high severity
- Utilization was also developed for multiple age bands and gender
- Each disease would have 3 levels of severity, 4 level of age bands and 2 levels of gender; elective surgery has just average severity



# CDS Tool - How is Demand Side Determined?

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## ✓ The demand side develops disease and surgery profile -

- Most common diseases and conditions, considered to be chronic and/or long lasting were identified with historical claims data using diagnoses codes
- Most common elective surgery list was developed using procedure codes – surgeries which are planned in the future within the coverage period
- If people have multiple diseases, we identified such cases so that their utilization of medical services and pharmacy scripts were defined
- Utilization pattern in medical services and pharmacy types were used to define diseases as being low, medium and high severity
- Utilization was also developed for multiple age bands and gender
- Each disease would have 3 levels of severity, 4 level of age bands and 2 levels of gender
- Elective planned surgeries have the above but do not have severity levels due to unpredictable future events

# CDS Tool - How is Demand Side Determined?

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## ✓ The demand side develops disease and surgery utilization -

- Every disease or surgery are associated with a given groups of members
- These members are grouped into homogenous disease(s) or surgery groups
- These members were then further subdivided by 4 age bands and 2 gender bands, e.g., age 0-18 Male and Female, age 19-30 band Male and Female, age 31-44 band Male and Female, and age 45-65 band Male and Female
- Use the average utilization of the 8 subgroups to derive average utilization and unit costs of services
- Develop lower and higher severity by using the distribution of the costs of these 8 subgroups, only for diseases; surgeries uses only average utilization to predict future costs
- Develop utilization (and unit costs) by discrete medical services – PCP, Specialists, Preventative, Maternity, ER, Hospital, Outpatient, Pharmacy, etc.
- We created 23 types of discrete medical and pharmacy services buckets

# CDS Tool - How is Demand Side Determined?

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## ✓ 23 Service Utilization is matched to plan-benefit details -

- Each diseased or surgical member's utilization is captured along 23 discrete services
- Each disease(s) or surgery has a set of benchmark utilization for the subgroups (see previous age/gender bands) across all 23 medical and pharmacy services
- Each medical or pharmacy service for each plan has a specific set of information regarding costs of coverage – copay, coinsurance, and deductibles
- For example – a plan with PCP care may have \$30 copay after deductible is met, where the individual deductible could be \$6,000/year. This means that a person that goes to the PCP a few times may very well have to pay the full cost of such service each time, say around \$125-\$150 per visit. When that person hits \$6,000 as annual deductibles then (s)he can visit the PCP with just a copay of \$30/visit

# CDS Tool - How is Demand Side Determined?

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## ✓ Develop out-of-pocket costs estimates by each plan -

- There are detail plans which are called 'variants'. Each standard or non-standard plan has 3 variants for all metals except silver which has 6 variants
- Eligibility to a variant is based on being American Indian / American Native and /or FPL in the range of 150%-250%
- An eligible member or household for QHP can only be eligible for a standard (or non-standard) plan or the correct plan variant from each carrier
- Each plan variant's specifics is captured for its broad characteristics – individual and family annual limits and out-of-pocket max for medical and pharmacy services
- Each plan-variant's more detail characteristics are captured along 23 services
- When a family fits into a particular plan variant(s), its members' disease or surgery information is used to estimate out-of-pocket cost share

# CDS Tool - How is Demand Side Determined?

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1. Individual Coverage
2. Individual Deductible Limit - \$1,000
3. Out-of-Pocket Max - \$3,000
4. Coinsurance Rate 20%

Services	Medical Costs	Coinsurance
PCP	\$300.00	\$52.81
Radiology	\$550.00	\$96.83
Hospital	\$5,500.00	\$968.26
Outpatient	\$2,000.00	\$352.10
<b>Total</b>	<b>\$8,350.00</b>	<b>\$1,470.00</b>
DEDUCTIBLES \$	\$1,000.00	
COINSURANCE \$		\$1,470.00
<b>Out-of-Pocket Costs</b>		
		<b>\$2,470.00</b>

# CDS Tool - How is Demand Side Determined?



Case Study: Individual 35 Years age, Income at \$24,500 with Arthritis and Partial Hip Replacement Gets APTC Credit of \$207/month.

# Consumer Decision Support (CDS) Tool

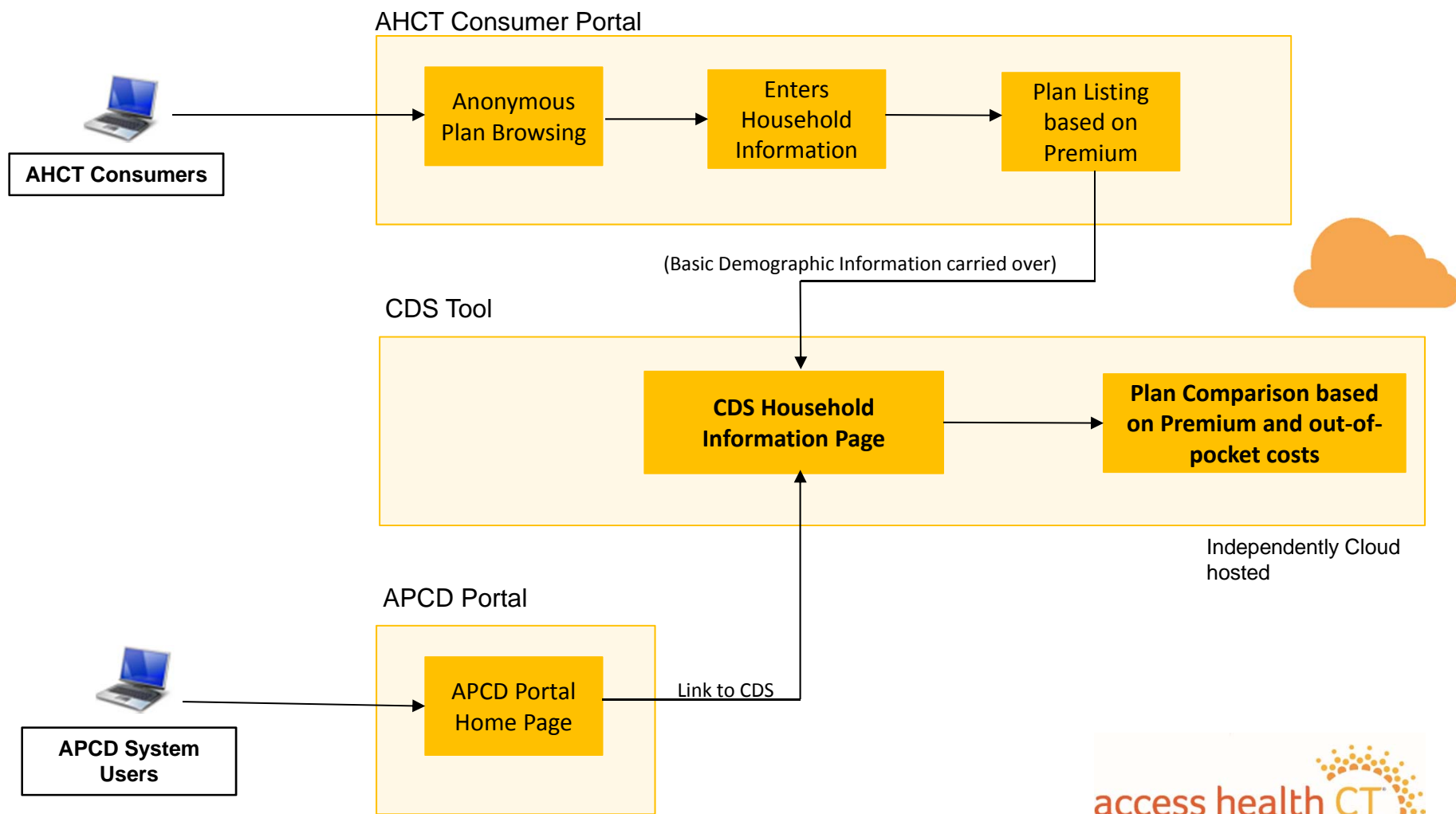
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✓ Access Health CT had engaged CID in the development process based on their feedbacks -

- **Medical costs** – enrollees must have clear understanding of medical costs and out-of-pocket costs, and that both are likely to be estimates
- **Strong disclaimer** – provides legal protection
- **Annualize Costs / Premium** – we want to have both options – display it monthly or annually
- **Medicaid/CHIPS suppression** – this application is for QHP population only, but will be able to support projections for split families
- **Carrier-specific information** – will not be used to develop benchmark data
- **Identify other users** who can benefit using this tool to steer enrollees
- **Display Information** – will include both expected medical costs and expected out-of-pocket costs; will not display the lowest cost plan at each metal level explicitly
- **Rounding up numbers** – for expected medical costs and out-of-pocket costs, we'll round up the numbers to the next 5 dollar level, e.g., out-of-pocket costs of \$236.45/month becomes \$240/month
- **Wireframes** – provide wireframe viewing

# Consumer Decision Support (CDS) Tool

- ✓ The CDS Tool will be available from both the APCD Portal and AHCT Consumer Portal





# Consumer Decision Support (CDS) Tool

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## ✓ Demonstration of System in Test Environment

- System uses 2015 health plan information
- The medical cost data is indicative and will be updated with more accurate benchmark information in the coming weeks