

Access Health CT

Health Plan Benefits & Qualifications (HPBQ) Advisory Committee

November 29, 2017





Today's Agenda

- A. Call to Order and Introductions
- B. Public Comment
- C. Vote: October 25, 2017 Meeting Minutes
- D. Certification Requirements
 - Certification Review Schedule
 - Follow-Ups from Previous Meetings
 - Enrollment Data Availability
 - Proposed Payment Notice for 2019:
 - Federally-facilitated Market and Standardized Plans
 - Affordable Care Act and Qualified Health Plans
 - Plan Mix – SHOP (Vote if necessary)
 - Plan Mix – Individual Market
 - Platinum Plan: Standardized Optional Plan (Vote)
 - Silver Plan: Non-Standard Plans (Vote if necessary)
 - Lowest Cost Silver Plan in Individual Market (Vote if necessary)
 - Certification Discussion Topics
 - Prescription Drug Formulary Requirements
 - Network Adequacy
 - Essential Community Providers (ECPs)
 - Essential Health Benefit (EHB) Benchmark Plan
- E. Next Steps
- F. Adjournment



Public Comment

(2 Minutes per Commenter)



➤ **Vote**

- October 25, 2017 Meeting Minutes

➤ Certification Requirements

Certification Review Schedule

Certification Review Topics	2017/2018 Discussion Date	Status
Requirement to submit Standardized Plan Designs	September & October	Completed
<i>Plan Mix (Standard/Non-Standard Plan Offerings)</i>	<i>September & October</i>	<i>Outstanding Items</i>
Pediatric Dental Coverage in Medical Plans	September & October	Deferred to 12/13/17
<i>Lowest Cost Silver Plan in the Individual Market</i>	<i>September & October</i>	<i>Pending additional review</i>
<i>Essential Health Benefits (EHB) Benchmark Plan</i>	<i>November</i>	<i>Scheduled (11/29/17)</i>
<i>Prescription Drug Formulary Standards</i>	<i>November</i>	
<i>Network Adequacy Standards</i>	<i>November</i>	
<i>Essential Community Provider (ECP) Contracting Standards</i>	<i>November</i>	
Tobacco Surcharge	December	Scheduled (12/13/17)
Broker Compensation	December	
Certification Requirements Policy	December - January	Scheduled (12/13/17, 1/10/18)
<i>Connecticut Insurance Department (CID) Recommendations</i>	<i>December</i>	Scheduled (12/13/17)
<i>Standardized Plan Development - Medical</i>	<i>December – February</i>	Scheduled (12/13/17, 1/10/18, 2/7/18)
Plan Mix – Stand-Alone Dental Plans (SADPs)	January - February	Scheduled (1/10/18, 2/7/18)
Standardized Plan Development – SADP	January - February	

Follow-Ups From Previous Meetings

- Enrollment Data Availability
- Health & Human Services (HHS) Proposed Payment Notice for 2019: Federally-facilitated Market and Standardized Plans
- Affordable Care Act (ACA) and Qualified Health Plans (QHPs)
- AHCT “Plan Mix” – SHOP
- AHCT “Plan Mix” – Individual Market
 - Individual Market: Standardized Optional Platinum Plan
 - Individual Market: Non-standard Silver Plans
- Lowest Cost Silver Plan in Individual Market

Affordable Care Act (ACA) and Qualified Health Plans (QHPs)

- CMS '2018 Letter to Issuers in the Federally-facilitated Marketplaces' includes the following statement:
 - “The ACA and applicable regulations establish that health plans, including SADPs, must meet a number of standards in order to be certified as QHPs. Several of these are market-wide standards that apply to plans offered in the individual and small group markets both inside and outside of the Marketplaces established by the ACA. The remaining standards are specific to health plans seeking QHP certification from the Marketplaces.”
 - Examples of ‘market-wide’ requirements include provision of Essential Health Benefits (EHB) and ensuring Actuarial Value (AV) standards are met
 - Examples of requirements for QHP certification for issuers and plans include adherence to Quality Initiatives and offering at least one Gold and one Silver plan throughout each service area where coverage is provided
- An Exchange must establish procedures for the certification of QHPs consistent with federal regulations and must not establish rules that conflict with or prevent the application of regulations
 - AHCT has established some certification requirements that exceed the minimum required by CMS, such as minimum/maximum number of plans that must be submitted by issuers

Affordable Care Act (ACA) Requirements and Qualified Health Plans (QHPs)

<p>Examples of requirements for Individual and Small Group Markets, both 'On-Exchange' and 'Off-Exchange'</p>	<ul style="list-style-type: none"> --Include Essential Health Benefits (EHB) package --For prescription drug coverage, include the greater of one drug in every United States Pharmacopeia (USP) category and class, OR the same number of prescription drugs in each category and class as the EHB-benchmark plan --Comply with applicable Actuarial Value (AV) Requirements --Include a maximum-out-of-pocket (MOOP) that does not exceed the prescribed annual threshold --Include only the following rating adjustments for plans: age, area, tobacco use (Individual Market only in Connecticut) and trend for Small Group --Meet network adequacy provisions of the Public Health Services (PHS) Act
<p>Examples of requirements for Individual and Small Group Markets, 'On-Exchange' only'</p>	<ul style="list-style-type: none"> --Be licensed & in good standing to offer health insurance in the State --Obtain/maintain accreditation status --Ensure non-discrimination on the basis of race, color, national origin, disability, age, sex, gender identity or sexual orientation --Not employ marketing practices or benefit designs that will have the effect of discouraging the enrollment of individuals with significant health needs in QHPs --Service area to include minimum geographic area (e.g., county) established without regard to racial, ethnic, language, or health status-related factors --Offer at least one QHP in the silver coverage level and at least one QHP in the gold coverage level throughout each covered service area through the Exchange --Make QHPs available for enrollment for the full plan year for which the plan was certified, unless a basis for suppression applies

Affordable Care Act (ACA) Requirements and Qualified Health Plans (QHPs)

<p>Examples of requirements for Individual and Small Group Markets, 'On-Exchange' only'</p> <p><i>...continued</i></p>	<ul style="list-style-type: none"> --Participate in Quality Ratings System (QRS) program --Implement a Quality Improvement Strategy (QIS) --Maintain a network that is sufficient in number and types of providers, including providers that specialize in mental health and substance abuse services, to assure that all services will be accessible without unreasonable delay --Make provider directory for a QHP available to potential enrollees in hard copy upon request, and identify providers that are not accepting new patients --Include a sufficient number and geographic distribution of Essential Community Providers (ECPs) --Adhere to patient safety standards for network hospitals with more than 50 beds --Accept premium and cost-sharing payments on behalf of QHP enrollees from certain third-party entities --Ensure meaningful access by limited English proficient (LEP) individuals and by individuals with disabilities --Charge the same premium rate for a plan available through an Exchange when sold directly from an issuer/agent --Offer meaningfully different plans*
<p>Examples of requirements for Individual Market, 'On-Exchange' only'</p>	<ul style="list-style-type: none"> --Meet requirements related to the administration of cost-sharing reductions (CSRs) and advance payments of the premium tax credit (PTC)

*2019 Payment Notice regulation as proposed would remove this requirement

Plan Mix - Medical

Current Guidelines: Number of Plans Permitted per Issuer				
	Individual Market		Small Group Market*	
	Standardized	Non-Standard	Standardized	Non-Standard
Platinum	1 (Optional)	2	0	4 (Optional)
Gold	1	3	0	Min 1 – Max 6
Silver	1	3	0	Min 2 – Max 6
Bronze	2	3	0	Min 2 – Max 4
Catastrophic	N/A	1	N/A	N/A
TOTAL	4 Required / 1 Optional	12 Optional	0 Required	5 Required / 15 Optional
Maximum	17		20	

2018 Submitted Plans

20 in Individual market (two issuers):

- 8 standardized plans (no Platinum)
- Non-standard plans: 1 Gold, 5 Silver, 4 Bronze and 2 Catastrophic

14 in Small Group market (two issuers):

- Non-standard plans:
- 1 Platinum, 3 Gold, 5 Silver, 5 Bronze

*Effective for the 2018 plan year, AHCT removed the requirement for Issuers to submit standardized plans for SHOP; The minimum count of plans are required to include out-of-network coverage and include pediatric dental EHBs

- **Discussion on vote to recommend eliminating the requirement for a standardized Platinum plan in the Individual Market**

Should AHCT eliminate the option for carriers to submit non-standard Silver plans in the Individual Market?

Reasons not to eliminate...

- Provides consumers with additional plan choices
- May result in increased competition, and potentially, lower rates
- If non-standard plans are not also available, could result in fewer innovative plan design offerings through the exchange
- High risk probability of market disruption, member confusion and reduction in auto-renewal efforts if non-standard plans are eliminated

Reasons to eliminate...

- May reduce administrative and operational costs for both AHCT and carriers
- May result in improved understanding of plan benefits (i.e., health literacy) with focus on fewer plans
- Premium subsidy may increase with elimination of a non-standard plan that would otherwise be designated as the second lowest cost Silver plan (SLCSP) when priced slightly above the standardized Silver plan

- **Discussion on vote to recommend eliminating the option for issuers to submit non-standard Silver plans in the Individual Market**

Should AHCT eliminate the requirement that the lowest cost Silver plan in the Individual Market be the AHCT standardized plan?

Reasons not to eliminate the requirement...

Reasons to eliminate...

- Results in 'affordability' (as defined by ACA) of the AHCT standardized Silver plan
- Could result in the calculation of PTCs based on non-standard Silver plans (when available) that are less costly due to features such as: different product type, narrow network composition, streamlined formulary, most services subject to annual plan deductible, HSA-compatible plans, exclusion of pediatric dental coverage (if an ACA compliant stand-alone dental plan is available)
- Could result in lower out-of-pocket plan costs for consumers
- Could result in significant movement from current plan selection to an alternative plan at renewal for many enrollees in an attempt to minimize premium impact, as the amount of premium tax credit (PTC) might be based on a lower cost plan

- May result in overall reduction in premium for Silver plans as a result of increased competition

- **Discussion on vote to recommend eliminating the requirement that the lowest cost Silver plan in the Individual Market be the AHCT standardized Silver plan**

Additional Certification Requirements

AHCT Board of Directors voted, on March 7, 2017, to modify requirements for the items listed below effective for the 2018 plan year:

Prescription Drug Formulary Requirements	--Eliminate the existing certification standard pertaining to formulary review adopted by the Board of Directors in April 2014 and rely on the Connecticut Insurance Department analysis and review of formulary for both standard and non-standard plans
Network Adequacy	--Eliminate the existing certification standard pertaining to network adequacy review adopted by the Board of Directors in April 2014 and rely on Connecticut Insurance Department analysis and review of network adequacy for both standard and non-standard plans
Essential Community Providers (ECPs)	--Eliminate the existing certification standard pertaining to Essential Community Provider contracting adopted by the Board of Directors in November 2012 and amended in June 2013 for Qualified Health Plans (QHPs), and replace it with the following: <ul style="list-style-type: none">• To require QHPs to have contracts with at least 50% of Federally Qualified Health Centers or “look alike” health centers in CT and 50% of all other designated ECPs with consideration given for issuers demonstrating a good faith effort to accomplish these standards

Essential Health Benefit (EHB) Benchmark Plan

- HHS is responsible for evaluating the effectiveness of the EHB Benchmark plan policy, including:
 - Whether the benchmark plans require further updating
 - Whether the overall approach continues to balance affordability, comprehensiveness, and State flexibility
 - How to account for medical innovations
- HHS released a proposed regulation (“Notice of Benefit and Payment Parameters for 2019”) on October 27, 2017 presenting options for additional flexibility for States to select a new EHB Benchmark plan effective for 2019 and beyond, including
 - Retaining the existing EHB Benchmark plan selected for the 2017 plan year
 - Selecting the EHB Benchmark plan that another State used for the 2017 plan year
 - Replacing one or more categories of EHBs from the EHB Benchmark plan used by a different State for the 2017 plan year
 - Choosing a new EHB Benchmark plan as long as it does not exceed the generosity of the most generous among a set of comparison plans

Essential Health Benefit (EHB) Benchmark Plan

- Proposed 2019 Payment Notice indicated that a State must notify HHS of the selection of a new EHB Benchmark plan by a date to be specified by HHS for each plan year and include prescribed documentation
 - Proposed rule outlined submission due dates of March 16, 2018 for the 2019 plan year and July 1, 2018 for the 2020 plan year
 - If the State does not make a selection by the annual selection date, the State's EHB Benchmark plan for the applicable plan year, as proposed, would be unchanged from the prior year
- Comment period for the proposed 2019 Payment Notice closed November 27, 2017
- Additionally, CMS released a package for a 60-day comment period on October 27, 2017 related to information collection that would be required of States in the EHB Benchmark plan selection process

➤ **Next Steps**

Next Meeting

- Scheduled topics for December outlined on slide 6
- 2018 Standardized Plans (Gold, Silver, Bronze & Bronze HSA)
 - Determine if existing cost sharing for 2018 plans will continue to be in compliance with Actuarial Value (AV) requirements based on 2019 draft AV Calculator tool
 - For plans no longer compliant, review alternative cost sharing adjustments based on approach of minimal changes (e.g., revise Maximum Out-of-Pocket threshold to comply with 2019 proposed AV level, Mental Health Parity and all other Federal/State requirements)
 - Suggestions for consideration to modify standardized plans for 2019
- Policy: “Establishing Requirements for Certification, Recertification and Decertification of Qualified Health Plans”
 - Review document located at: <http://agency.accesshealthct.com/wp-content/uploads/2016/10/Policies-and-Procedures-Certification-of-Qualified-Health-Plans-00038757-4.pdf>

➤ Appendix

2018 'On-Exchange' Silver Plans in the Individual Market

		Fairfield	Hartford	Litchfield	Middlesex	New Haven	New London	Tolland	Windham	
		Rating Area 1	Rating Area 2	Rating Area 3	Rating Area 4	Rating Area 5	Rating Area 6	Rating Area 7	Rating Area 8	
Lowest to Highest in Premium ↓	Rank	CBI - Choice Silver Standard POS					Anthem - Silver PPO Standard Pathway X			
	1	CBI - Choice Silver Standard POS					Anthem - Silver PPO Standard Pathway X			
	2	CBI - Passage Silver Alternative PCP POS					Anthem - Silver Core PPO Pathway X			
	3	CBI - Choice Silver Alternative POS					Anthem - Silver High Deductible HMO Pathway X Enhanced			
	4	Anthem - Silver PPO Standard Pathway X					Anthem - Silver Low Deductible HMO Pathway X Enhanced			
	5	Anthem - Silver Core PPO Pathway X					CBI - Choice Silver Standard POS			
	6	Anthem - Silver High Deductible HMO Pathway X Enhanced					CBI - Passage Silver Alternative PCP POS			
7	Anthem - Silver Low Deductible HMO Pathway X Enhanced					CBI - Choice Silver Alternative POS				

"On-Exchange" Individual Silver Plan Costs by County - Relative to Lowest Cost Silver Plan (Age 21)									
		Fairfield	Hartford	Litchfield	Middlesex	New Haven	New London	Tolland	Windham
		Rating Area 1	Rating Area 2	Rating Area 3	Rating Area 4	Rating Area 5	Rating Area 6	Rating Area 7	Rating Area 8
Lowest to Highest in Premium ↓	Rank	\$464.87	\$377.74	\$416.84	\$410.58	\$425.48	\$421.40	\$421.40	\$421.40
	1	\$464.87	\$377.74	\$416.84	\$410.58	\$425.48	\$421.40	\$421.40	\$421.40
	2	+\$1.28	+\$1.03	+\$1.14	+\$1.12	+\$1.16	+\$1.57	+\$1.57	+\$1.57
	3	+\$2.75	+\$2.23	+\$2.46	+\$2.42	+\$2.51	+\$2.05	+\$2.05	+\$2.05
	4	+\$33.56	+\$57.26	+\$4.56	+\$56.14	+\$41.24	+\$3.36	+\$3.36	+\$3.36
	5	+\$35.42	+\$58.87	+\$6.13	+\$57.87	+\$42.97	+\$13.22	+\$6.45	+\$6.45
	6	+\$35.99	+\$59.37	+\$6.61	+\$58.41	+\$43.51	+\$14.41	+\$7.62	+\$7.62
7	+\$37.53	+\$60.72	+\$7.92	+\$59.85	+\$44.95	+\$15.78	+\$8.97	+\$8.97	
		Green shading represents AHCT standardized Silver plan with lowest premium							
		Yellow shading represents AHCT standardized Silver plan with highest premium							
		Red font identifies non-standard Silver plans							

Second Lowest Cost Silver Plan (SLCSP): Modeling (Income at 303% of FPL)

Assumptions	Example 1: 2018 Plan Year Includes Non-Standard Silver Plans	Example 2: <i>If requirement changed, such that non-standard Silver Plans were not permitted in 2018</i>	Example 3: 2018 Plan Year Includes Non-Standard Silver Plans	Example 4: <i>If requirement changed, such that non-standard Silver Plans were not permitted in 2018</i>
County of Residence	Fairfield		Hartford	
Assumptions	Single person, age 46 with income of \$36,500		Family, ages 48, 47, 16, 13 with income of \$74,500	
Applicable Contribution %	9.56%		9.56%	
SLCSP Benchmark	CBI - Passage Silver Alternative PCP POS	<i>Anthem - Silver PPO Standard Pathway X</i>	CBI - Passage Silver Alternative PCP POS	<i>Anthem - Silver PPO Standard Pathway X</i>
Expected Annual Benchmark Plan Cost	\$8,375.64	\$8,959.20	\$21,877.68	\$25,135.80
Annual APTC	\$4,886.24	\$5,469.80	\$14,755.48	\$18,013.60
Monthly APTC	\$407.19	\$455.82	\$1,229.62	\$1,501.13
Monthly Premium for lowest cost AHCT Standard Silver Plan	\$697.31	\$697.31	\$1,821.46	\$1,821.46
Consumer Responsibility (per month)	\$290.12	\$241.49	\$591.84	\$320.33
% Change in Responsibility		-16.76%		-45.88%
\$ Change in Responsibility (per month)		-\$48.63		-\$271.51

Subsidy eligibility: Premium Tax Credits (PTCs)

Second Lowest Cost Silver Plan (SLCSP): Modeling (Income at 228% of FPL)

Assumptions	Example 5: 2018 Plan Year Includes Non-Standard Silver Plans	<i>Example 6: <u>If requirement changed</u>, such that non-standard Silver Plans were not permitted in 2018</i>	Example 7: 2018 Plan Year Includes Non-Standard Silver Plans	<i>Example 8: <u>If requirement changed</u>, such that non-standard Silver Plans were not permitted in 2018</i>
County of Residence	Litchfield		Middlesex	
Assumptions	Single person, age 46 with income of \$27,500		Family, ages 48, 47, 16, 13 with income of \$56,100	
Applicable Contribution %	7.33%		7.33%	
SLCSP Benchmark	CBI - Passage Silver Alternative PCP POS	<i>Anthem - Silver PPO Standard Pathway X</i>	CBI - Passage Silver Alternative PCP POS	<i>Anthem - Silver PPO Standard Pathway X</i>
Expected Annual Benchmark Plan Cost	\$7,510.08	\$7,574.64	\$23,779.68	\$26,968.44
Annual APTC	\$5,494.33	\$5,558.89	\$19,667.55	\$22,856.31
Monthly APTC	\$457.86	\$463.24	\$1,638.96	\$1,904.69
Monthly Premium for lowest cost AHCT Standard Silver Plan	\$625.26	\$625.26	\$1,979.82	\$1,979.82
Consumer Responsibility (per month)	\$167.40	\$162.02	\$340.86	\$75.13
% Change in Responsibility		-3.21%		-77.96%
\$ Change in Responsibility (per month)		-\$5.38		-\$265.73

Subsidy eligibility: Premium Tax Credits (PTCs) & 73% CSR

Second Lowest Cost Silver Plan (SLCSP): Modeling (Income at 187% of FPL)

Assumptions	Example 9: 2018 Plan Year Includes Non-Standard Silver Plans	Example 10: <u>If requirement changed, such that non-standard Silver Plans were not permitted in 2018</u>	Example 11: 2018 Plan Year Includes Non-Standard Silver Plans	Example 12: <u>If requirement changed, such that non-standard Silver Plans were not permitted in 2018</u>
County of Residence	New Haven		New London	
Assumptions	Single person, age 46 with income of \$22,500		Family, ages 48, 47, 16, 13 with income of \$45,900	
Applicable Contribution %	5.72%		5.72%	
SLCSP Benchmark	CBI - Passage Silver Alternative PCP POS	Anthem - Silver PPO Standard Pathway X	Anthem - Silver Core PPO Pathway X	CBI - Choice Silver Standard POS
Expected Annual Benchmark Plan Cost	\$7,665.72	\$8,389.20	\$24,374.28	\$25,103.52
Annual APTC	\$6,378.72	\$7,102.20	\$21,748.80	\$22,478.04
Monthly APTC	\$531.56	\$591.85	\$1,812.40	\$1,873.17
Monthly Premium for lowest cost AHCT Standard Silver Plan	\$638.22	\$638.22	\$2,031.99	\$2,031.99
Consumer Responsibility (per month)	\$106.66	\$46.37	\$219.59	\$158.82
% Change in Responsibility		-56.53%		-27.67%
\$ Change in Responsibility (per month)		-\$60.29		-\$60.77

Subsidy eligibility: Premium Tax Credits (PTCs) & 87% CSR

Second Lowest Cost Silver Plan (SLCSP): Modeling (Income at 145% of FPL)

Assumptions	Example 13: 2018 Plan Year Includes Non-Standard Silver Plans	Example 14: <u>If requirement changed, such that non-standard Silver Plans were not permitted in 2018</u>	Example 15: 2018 Plan Year Includes Non-Standard Silver Plans	Example 16: <u>If requirement changed, such that non-standard Silver Plans were not permitted in 2018</u>
County of Residence	Tolland		Windham	
Assumptions	Single person, age 46 with income of \$17,500		Family, ages 48, 47, 16, 13 with income of \$35,700	
Applicable Contribution %	3.74%		3.74%	
SLCSP Benchmark	Anthem - Silver Core PPO Pathway X	CBI - Choice Silver Standard POS	Anthem - Silver Core PPO Pathway X	CBI - Choice Silver Standard POS
Expected Annual Benchmark Plan Cost	\$7,582.32	\$640.62	\$24,374.28	\$24,712.56
Annual APTC	\$6,927.82	\$7,032.94	\$23,039.10	\$23,377.38
Monthly APTC	\$577.32	\$586.08	\$1,919.93	\$1,948.12
Monthly Premium for lowest cost AHCT Standard Silver Plan	\$632.10	\$632.10	\$2,031.99	\$2,031.99
Consumer Responsibility (per month)	\$54.78	\$46.02	\$112.06	\$83.87
% Change in Responsibility		-15.99%		-25.16%
\$ Change in Responsibility (per month)		-\$8.76		-\$28.19

2017 AHCT Plan Enrollment: Standardized/Non-Standard QHPs

Enrollment data of Individual AHCT plans as of 9/28/2017

Metal Level	Enrollment	Percent
Catastrophic	1,550	1.61%
Bronze	24,735	25.76%
Silver	60,414	62.93%
Gold	9,310	9.70%
TOTAL	96,009	100.00%

Metal Level	Standardized Plans	Non-Standard Plans	Total	Percent in Standardized Plans
Catastrophic	0	1,550	1,550	0.00%
Bronze*	21,958	2,777	24,735	88.77%
Silver	51,339	9,075	60,414	84.98%
Gold	7,278	2,032	9,310	78.17%
TOTAL	80,575	15,434	96,009	83.92%

*Bronze Plans	Standardized Plans	Non-Standard Plans	Total	Percent in Standardized Plans
Non-HSA Bronze	7,783	803	8,586	90.65%
HSA Compatible	14,175	1,974	16,149	87.78%
Total	21,958	2,777	24,735	88.77%

➤ **Adjournment**