Brokers, Agents and Navigators Advisory Committee and Small Business Health Options Program (SHOP) Advisory Committee Special Meeting

Location: Holiday Inn - Junior Ballroom
100 East River Drive
East Hartford, CT

Date: Tuesday, February 10, 2015
Time: 9:00 a.m.

Members Present
Mary Ellen Breault; Nathan Field; Tim Pusch; Mark Czarnecki

Members On Phone
Grant Ritter; Pam Russek; Steve Glick; Matt Fair; Marta Maciuba; Chris McKiernan; Tony Pinto; Patricia Pulisciano

Other Participants
AHCT: Jim Wadleigh; Virginia Lamb; Julie Lyons; Chad Brooker

I. Call to Order and Introductions

The meeting was called to order at 9:00 a.m.

II. Public Comment

There was no public comment.

III. 2016 Standard Plan Designs – Discussion and Vote

Julie Lyons summarized the meeting objective as reviewing modifications to the 2015 standard plans to comply with 2016 requirements, including compliance with Actuarial Value (AV), and selecting the option to recommend for Board of Directors approval.

The meeting presentation was reviewed.

- Discussed member enrollment by metal level for standard and non-standard plans, noting that approximately 10% of membership is in non-standard plans. The majority of enrollees are in the standard Silver plans. The membership is representative of 173 employer groups that purchased a plan through SHOP as of January 21.
- The plan design exhibits include the first column identifying the service, with those in red font included in the AV Calculator (AVC) tool. The next two columns display the cost sharing for the covered service for the 2015 plan year, and the last two columns show proposed changes for the 2016 plan year in yellow shading.
- Chad Brooker provided background information on the plan design development process and noted that small group size may be expanded from 50 employees to 100 employees per federal regulation for the 2016 plan year, so AHCT wants to ensure larger size groups will appreciate these plans. There is a need to revise some of the 2015 standard plans due to changes in the CMS Actuarial Value Calculator (AVC) tool. The Bronze plans must be revised to be compliant with AV requirements. The Platinum, Gold and Silver standard plans do not need to change based on the 2016 AVC tool, however they should be reviewed to ensure they will meet market needs.
- Platinum plan option for consideration included increasing the deductible from $0 to $100, decreasing copays for Inpatient Hospital, Skilled Nursing and Outpatient Hospital services although these would be subject to the deductible. Also, the Emergency Room and Advanced Radiology copays have been reduced and copays would increase for Prescription Drug for Tier 2 and Tier 3 Brand drugs with a per script maximum added for Tier 4 Specialty drugs. Discussion ensued regarding these changes, including suggestions to increase the Emergency Room copay and rationale for increasing Prescription Drug copays to increase the benefits throughout the plan. A question was raised on the need to reduce the Advanced Imaging copay since that would result in increased premium.
    - Additional discussion on the fact that the standard Platinum plan is optional, and the potential for adverse selection when offering it. It was noted that there should be a desire to keep plan designs as consistent as possible from year to year. Mr. Wadleigh indicated that potential customers have requested access to Platinum plans, and that some of the carriers have told him they would be offering one for the 2016 plan year. Platinum plans are available outside of the Exchange and AHCT would like to be competitive with them. Mr. Brooker stated that the existing plan design for the optional Platinum plan would be about a 1 to 1.5 point decrease in the AV for 2016. It was noted that there is nothing wrong with an AV in the 89% range for this plan as pricing is important.

  - Suggestions for modifying the proposed plan included increasing the PCP copay to $15 and keeping the differential between the PCP and Specialist copays as high as possible to drive initial care to the PCP. Also, there should be a difference in cost sharing between Emergency Room and Urgent Care.
    - Mr. Brooker proposed plan cost sharing adjustments that resulted in an AV of 88.9%.
- Gold plan for consideration included a change for Tier 4 Prescription Drugs to coinsurance with a per script maximum. Discussion ensued regarding these changes.
  - Suggestions for modification included adjusting to reduce premiums, although it was noted that employers prefer not to see a lot of plan design changes. In consideration of reducing plan premium, alternate cost sharing changes proposed included increasing MOOP and PCP copay.
- Silver plan for consideration included four different options, including an HSA compatible plan. Discussion ensued regarding these.
  - Option A resulted in a lower AV with an increase to the Prescription Drug deductible and MOOP, elimination of deductible for Urgent Care services, reduced copay for Laboratory and making Tier 4 Prescription Drugs subject to coinsurance with a per script maximum. A suggestion was made to increase the per script maximum so that it was greater than that for the Gold plan.
  - Option B resulted in an even lower AV with changes similar to those in Option A, although the medical deductible was also increased, and it would now apply for Advanced Radiology services. These changes are expected to reduce plan premium.
  - Option C was designed to demonstrate a plan at the lower end of the AV range. Like Option B, the deductible for medical and Prescription Drug were increased as well as MOOP. The deductible was eliminated for Urgent Care, and a number of services had changes to $0 copay after the deductible was met. For Prescription Drugs, the deductible would now apply to Tier 2 and Tier 3 drugs, and Tier 4 drugs would now be subject to coinsurance with a per script maximum. Mary Ellen Breault noted that the copay for Chiropractic Services would need to align with either the PCP or the Specialist copay.
  - Option 4 is an HSA compatible plan, with all services except Preventive subject to the plan deductible. Most services would be subject to 10% coinsurance, rather than a copay. It was noted that it would be difficult to have only an HSA compatible standard Silver plan, and that a carrier could offer this type of design as a non-standard option. Also noted was that outside of the Exchange a plan would likely have a lower MOOP that would be more attractive to an employer. An alternative plan with $3000 deductible, $6850 MOOP and coinsurance of 0% after deductible for most services, although the premium would be higher than the proposed Option 4. Another alternative with $3000 deductible, $4000 MOOP and 10% coinsurance after deductible for most services was proposed.

- Bronze plan for consideration included three different options. This would not be an HSA compatible plan. Discussion ensued regarding these. All three options include the maximum out-of-pocket permitted as outlined in the proposed Notice of Benefit and Payment Parameters regulation.
    - The first option would make minimal changes to the current plan, decreasing the number of PCP visits that are not subject to the plan deductible from 3 to 2 and Tier 1 Prescription Drugs would be subject to the deductible.
    - The second option also has minimal changes and would eliminate the cap on the number of PCP visits for which the deductible is waived, with Tier 1 Prescription Drugs subject to the deductible. It was noted that it is not desirable for Tier 1 generic drugs to be subject to the plan deductible, but as there is significant impact for this in the AVC for 2016 this cannot be changed. The current Bronze plan for 2015 using the 2016 AVC would be outside the permitted de minimis range at about 64%, so the 2 points need to be made up in some way.
    - The third option would result in significant changes to the current plan, including increased deductible and revising the cost sharing for many services from coinsurance to copay. Tier 1 Prescription Drugs would be subject to the plan deductible and a per script maximum would apply for Tier 4 Prescription Drugs.
- Bronze HSA compatible plan for consideration also included three different options. Discussion ensued regarding these.
    - The first option resulted in increases to deductible and MOOP, with reductions in cost sharing for Tier 2, Tier 3 and Tier 4 Prescription Drugs.
    - The second option includes a significant number of changes including increased deductible and MOOP, as well as increased cost sharing for most services moving from $0 after deductible to 10% coinsurance after deductible.
    - The third option is the same as the second option except for a lower plan deductible.
- Tim Pusch made a motion to recommend to the Board a change in the number of standardized plans that are required to be submitted for carriers to participate in SHOP from 1 Gold, 1 Silver and 2 Bronze (1 HSA compatible) to 1 Platinum, 1 Gold, 2 Silver (1 HSA compatible) and 2 Bronze (1 HSA compatible). Mark Czarnecki seconded the motion. Those in favor included Mr. Pusch and Mr. Czarnecki as well as Chris McKiernan, Tony Pinto, Steve Glick, Patricia Pulisciano and Grant Ritter. Nathan Field abstained. There was no response from Pam Russek, Matt Fair or Marta Maciuba.
- Mr. Glick made a motion to advance the third Bronze plan presented (listed as Option 6 in the meeting materials) as the standard plan for 2016 for Committee review next week. Mr. Czarnecki seconded the motion. Mr. McKiernan stated he had to leave the conference call. Those in favor included Mr. Glick and Mr. Czarnecki as well as Mr. Pinto, Mr. Ritter and Ms. Pulisciano.
- Mr. Czarnecki made a motion to recommend advancing the second HSA compatible Bronze plan presented (listed as Option 6 in the meeting materials) as the standard plan

for 2016 for Committee review next week. Mr. Glick seconded the motion. Mr. Pinto was in favor of the motion. Mr. Ritter was not in favor of this option, preferring the last plan presented.

- Ms. Lyons asked for feedback on the approach for the next meeting to finalize the recommendations for standardized plans for Board approval as far as a conference call or face to face. Mr. Czarnecki stated he would prefer a conference call.
- Mr. Brooker requested clarification of the cost sharing modifications for the standardized Gold plan option to advance it for Committee review next week. Confirmation was provided that the changes included a Tier 2 Prescription Drug copay of $30 and a per script maximum of $175 for Tier 4 Specialty drugs. Mr. Pusch made a motion to recommend this plan and Mr. Czarnecki seconded it. In addition to Mr. Pusch and Mr. Czarnecki, Mr. Pinto and Mr. Ritter were in favor of the recommendation.
- Mr. Brooker requested confirmation of the changes to cost sharing for the standardized Platinum plan option to review with the Committee next week. Confirmation was provided that the changes included a PCP copay of $15, Specialist copay of $35, Inpatient Hospital copay of $150 per day for 2 days, Outpatient Hospital copay of $150, Advanced Radiology copay of $75, Non-Advanced Radiology copay of $45, Laboratory Copay of $20, Rehabilitation Copay of $15 and a per script maximum of $100 for Tier 4 Specialty drugs. Mr. Pusch made a motion to advance this plan for Committee review next week and Mr. Czarnecki seconded it. In addition to Mr. Pusch and Mr. Czarnecki, Mr. Pinto and Mr. Ritter were in favor of the recommendation.
- Mr. Czarnecki made a motion to adjourn the meeting and Mr. Pusch seconded it. Motion passes unanimously.

Meeting adjourned at 11:00 am.