



## **Plan Management Advisory Workgroup Meeting**

November 12, 2020

# AGENDA

Time	Topic	Presenter
10:00 – 10:10	Welcome and Agenda Review	Rob Spector
10:10 – 10:20	2021-2022 Plan Advisory Membership	James DeBenedetti
10:20 – 10:50	2022 Benefit Design	James DeBenedetti
10:50 – 12:00	Open Forum	All

# 2021-2022 PLAN ADVISORY MEMBERSHIP

James DeBenedetti

# 2021-2022 PLAN MANAGEMENT ADVISORY MEMBERSHIP

- Covered California actively engages a broad range of stakeholders to inform policy development and implementation to meet its mission and goals
- The Plan Management Advisory Group is made up of members who provide input to Covered California board and staff on critical policy issues and strategies
- These members represent a diverse range of expertise and viewpoints as well as California's cultural, geographic and economic diversity, and various delivery system perspectives
- Members are recognized experts in their fields, and include representation from:
  - Health plans
  - Health care providers
  - Health care delivery and public health experts from independent academic, research or public health entities
  - Dental plans
  - Advocates with direct and substantial experience in health care

# 2021-2022 PLAN MANAGEMENT ADVISORY MEMBERSHIP

- Members of the Plan Management Advisory Group are selected for a two-year term
- We are currently accepting applications for the Plan Management Advisory Group members for the 2021-2022 term.
  - If your term is ending in 2020 then you will need to reapply.
- The Plan Management Advisory Group nomination form is now available and can be found on Plan Management Stakeholders page under Resources.
- Anyone interested in serving is invited to submit an application to [Elena.Wise@covered.ca.gov](mailto:Elena.Wise@covered.ca.gov) by **December 10, 2020**.

# 2022 BENEFIT DESIGN

James DeBenedetti

# 2022 BENEFIT DESIGN TOPICS

- Health – Benefit Design principles and modeling
- Standard Benefit Plan Design Timeline and Next Steps
- Dental – CDT and copay schedule changes

# HEALTH BENEFIT DESIGN PRINCIPLES AND MODELING POTENTIAL AV CHANGES



# STRATEGY FOR PATIENT-CENTERED BENEFIT PLAN DESIGNS

## Organizational Goal

Covered California should have benefit designs that are standardized, promote access to care, and are easy for consumers to understand = **PATIENT-CENTERED**.



## Principles

- Multi-year progressive strategy with consideration for market dynamics: changes in benefits should be considered annually based on consumer experience related to access and cost
- Adhere to principles of value-based insurance design by considering value and cost of clinical services
- Set fixed copays as much as possible and utilize coinsurance for services with wide price variation to encourage members to shop for services
- Apply a stair-step approach for setting member cost shares for a service across each metal level, e.g. a primary care visit is \$40 in the Silver tier, \$35 in Gold, \$15 in Platinum

# NOTES ABOUT 2022 BENEFIT DESIGN MODELING

- The 2021 AVC was used to model Actuarial Values as the 2022 Draft AV Calculator has not yet been released
- The expected \$400 increase to the Maximum Out of Pocket (MOOP) will bring most plans within the AV de minimis range
- Silver 87 and Gold coinsurance plans may require a change to cost sharing to stay within the de minimis range
- All benefit modeling will be done when the draft 2022 AVC is released

# 2022 PLANS: EXPECTED AV INCREASES IN NEW AVC

	Bronze		Silver				CCSB Silver		
	HDHP	Standard	Silver	Silver 73	Silver 87	Silver 94	Copay	Coins	HDHP
AV Target	60	60	70	73	87	94	70	70	70
Deviation Allowance	+5/-2.0%	+5/-2.0%	+/-2.0%	+/-1.0%	+/-1.0%	+/-1.0%	+/-2.0%	+/-2.0%	+/-2.0%
2021 AV	<b>64.90</b>	<b>64.83</b>	<b>70.45</b>	<b>73.26</b>	<b>87.82</b>	<b>94.09</b>	<b>70.62</b>	<b>71.3</b>	<b>71.78</b>
Expected AV increase**	<b>0.39</b>	<b>0.44</b>	<b>0.43</b>	<b>0.45</b>	<b>0.22</b>	<b>0.10</b>	<b>0.48</b>	<b>0.47</b>	<b>0.30</b>
Projected AV baseline in new AVC	<b>65.29</b>	<b>65.21*</b>	<b>70.94*</b>	<b>73.75*</b>	<b>88.01*</b>	<b>94.19*</b>	<b>71.42*</b>	<b>72.06*</b>	<b>72.08</b>

	Gold		CCSB Gold		Platinum	
	Copay	Coins	Copay	Coins	Copay	Coins
AV Target	80	80	80	80	90	90
Deviation Allowance	+/-2.0%	+/-2.0%	+/-2.0%	+/-2.0%	+/-2.0%	+/-2.0%
2021 AV	<b>78.01</b>	<b>81.90</b>	<b>79.43</b>	<b>78.22</b>	<b>89.25</b>	<b>91.59</b>
Expected AV increase**	<b>0.38</b>	<b>0.30</b>	<b>0.38</b>	<b>0.30</b>	<b>0.23</b>	<b>0.15</b>
Projected AV baseline in new AVC	<b>78.39</b>	<b>82.20</b>	<b>79.81*</b>	<b>78.50*</b>	<b>89.48</b>	<b>91.74</b>

\*Final AV includes copay accumulation additive adjustment

\*\*Expected increase based on 2 year avg increase from 2018 to 2020 trend and assumes low trend for 2022.

**Red text:** AV is outside de minimis range

**Blue text:** AV is within de minimis range

# ESTIMATED 2022 ANNUAL LIMITATION ON COST SHARING

	2019	2020	2021	2022 Est*
Maximum annual limitation on cost-sharing (federal)	\$7,900 / \$15,800	\$8,150 / \$16,300	\$8,550 / \$17,100	\$8,950 / \$17,900
Less CA MOOP (\$350) for dental	\$7,550 / \$15,100	\$7,800 / \$15,600	\$8,200 / \$16,400	\$8,600 / \$17,200
CSR 73 Maximum annual limitation	\$6,300 / \$12,600	\$6,500 / \$13,000	\$6,800 / \$13,600	\$7,150 / \$14,300
CSR 87 Maximum annual limitation	\$2,600 / \$5,200	\$2,700 / \$5,400	\$2,850 / \$5,700	\$2,950 / \$5,900
CSR 94 Maximum annual limitation	\$2,600 / \$5,200	\$2,700 / \$5,400	\$2,850 / \$5,700	\$2,950 / \$5,900

\* Estimated using the growth in private health insurance premiums from 2013 to 2021 - National Health Expenditure Accounts published by the CMS Office of the Actuary.

# SILVER 87 PLAN

## Observations:

- Increasing the MOOP to the maximum allowed will likely decrease the AV by 0.2% in the Silver 87
- If AV increases are higher than estimated – is it preferred to increase drug deductible or cost shares?

*What change(s) should be prioritized to meet AV requirements?*

KEY:	X	Subject to deductible
	*	Drug cap applies to all drug tiers
	†	Additive adjustment (included in AV)
		Increased member cost from 2021
		Decreased member cost from 2021
		Does not meet AV
		Within .5 of de minimis
		Securely within AV

Benefit	Silver 87		Silver 87 A		Silver 87 B		Silver 87 C	
	Ded	Amount	Ded	Amount	Ded	Amount	Ded	Amount
Deductible								
Medical Deductible		\$1,400		\$1,400		\$1,400		\$1,400
Drug Deductible		\$100		\$100		\$125		\$150
Coinsurance (Member)		15%		15%		15%		15%
MOOP		\$2,850		\$2,950		\$2,950		\$2,950
ED Facility Fee		\$150		\$150		\$150		\$150
Inpatient Facility Fee	X	15%	X	15%	X	15%	X	15%
Inpatient Physician Fee		15%		15%		15%		15%
Primary Care Visit		\$15		\$15		\$15		\$15
Specialist Visit		\$25		\$25		\$25		\$25
MH/SU Outpatient Services		\$15		\$15		\$15		\$15
Imaging (CT/PET Scans, MRIs)		\$100		\$100		\$100		\$100
Speech Therapy		\$15		\$15		\$15		\$15
Occupational and Physical Therapy		\$15		\$15		\$15		\$15
Laboratory Services		\$20		\$20		\$20		\$20
X-rays and Diagnostic Imaging		\$40		\$40		\$40		\$40
Skilled Nursing Facility	X	15%	X	15%	X	15%	X	15%
Outpatient Facility Fee		15%		15%		15%		15%
Outpatient Physician Fee		15%		15%		15%		15%
Tier 1 (Generics)		\$5		\$5		\$5		\$5
Tier 2 (Preferred Brand)	X	\$25	X	\$25	X	\$25	X	\$25
Tier 3 (Nonpreferred Brand)	X	\$45	X	\$45	X	\$45	X	\$45
Tier 4 (Specialty)	X	15%	X	15%	X	15%	X	15%
Tier 4 Maximum Coinsurance		\$150		\$150		\$150		\$150
Maximum Days for charging IP copay								
Begin PCP deductible after # of copays								
<b>Actuarial Value</b>								
<b>2021 AV (FINAL 2021 AVC) †</b>		<b>87.78</b>		<b>87.59</b>		<b>87.53</b>		<b>87.49</b>
<b>Estimated increase in new 2022 AVC</b>		<b>0.22</b>		<b>0.22</b>		<b>0.22</b>		<b>0.22</b>
<b>Estimated Actuarial Value (2022)</b>		<b>88.00</b>		<b>87.81</b>		<b>87.75</b>		<b>87.71</b>
Additive adjustment (†)		-0.03		-0.03		-0.03		-0.03

# GOLD COINSURANCE PLAN

## Observations:

- Increasing the MOOP to the maximum allowed will likely decrease the AV by 0.2%

*What change(s) should be prioritized to meet AV requirements?*

<b>KEY:</b>	X	Subject to deductible
	*	Drug cap applies to all drug tiers
	†	Additive adjustment (included in AV)
		Increased member cost from 2021
		Decreased member cost from 2021
		Does not meet AV
		Within .5 of de minimis
	Securely within AV	

Benefit	Gold Coins		Gold Coins A		Gold Coins B	
	Ded	Amount	Ded	Amount	Ded	Amount
Deductible						
Medical Deductible						
Drug Deductible						
Coinsurance (Member)		20%		20%		20%
MOOP		\$8,200		\$8,600		\$8,600
ED Facility Fee		\$350		\$350		\$350
Inpatient Facility Fee		20%		20%		20%
Inpatient Physician Fee		20%		20%		20%
Primary Care Visit		\$35		\$35		\$35
Specialist Visit		\$65		\$65		\$70
MH/SU Outpatient Services		\$35		\$35		\$35
Imaging (CT/PET Scans, MRIs)		20%		20%		20%
Speech Therapy		\$35		\$35		\$35
Occupational and Physical Therapy		\$35		\$35		\$35
Laboratory Services		\$40		\$40		\$40
X-rays and Diagnostic Imaging		\$75		\$75		\$75
Skilled Nursing Facility		20%		20%		20%
Outpatient Facility Fee		20%		20%		20%
Outpatient Physician Fee		20%		20%		20%
Tier 1 (Generics)		\$15		\$15		\$15
Tier 2 (Preferred Brand)		\$55		\$55		\$55
Tier 3 (Nonpreferred Brand)		\$80		\$80		\$80
Tier 4 (Specialty)		20%		20%		20%
Tier 4 Maximum Coinsurance		\$250		\$250		\$250
Maximum Days for charging IP copay						
Begin PCP deductible after # of copays						
<b>Actuarial Value</b>						
<b>2021 AV (FINAL 2021 AVC)</b>		<b>81.90</b>		<b>81.70</b>		<b>81.59</b>
<b>Estimated increase in new 2022 AVC</b>		<b>0.30</b>		<b>0.30</b>		<b>0.30</b>
<b>Estimated Actuarial Value (2022)</b>		<b>82.20</b>		<b>82.00</b>		<b>81.89</b>

# TIMELINE AND NEXT STEPS

- Late November / early December:
  - Estimated release of Draft AVC
  - Run plan designs through 2022 AVC (calculate new baselines, identify plans outside of AV; determine if any plans need more than just MOOP adjustments, model cost share changes)
- December 10 Plan Advisory meeting: review AV of plans and share modeled changes
- January 7 Plan Advisory meeting: present draft benefit designs
- January 14 Board meeting: present draft benefit designs

# DENTAL PLAN UPDATE



# DENTAL UPDATE

## Changes to CDT Codes

- Minor modifications/additions to existing codes but no significant change to overall benefit design (see attachment for CDT code changes)
- Actuarial Value for 2022 Dental Standard Benefit Plan Designs are currently being calculated

# OPEN FORUM

**THANK YOU**