

MINUTES

Standardized Benefit Design Work Group

Date | time 6/15/2017 2:30 PM | *Meeting called to order by* John Pierre Cardenas

In Attendance

Elizabeth Sammis, Ph.D.*

Kimberly S. Cammarata*

Pia Sterling*

Robert Metz*

Chris Keen (via telephone)*

Kathryn Hoffman, Esq. (via telephone)

Michele Eberle

John Pierre Cardenas

Kimberly Edwards

Rebecca Smith

*Indicated work group member status. With six members present, the work group reached quorum.

Approval of Minutes

The minutes from the March and April meetings were approved after a motion to approve them was made by Elizabeth Sammis.

Meeting

- **Workgroup Membership Updates**

John-Pierre Cardenas from MHBE shared with the committee members that two members (Leslie Gordon and John Fleig) had withdrawn from the workgroup.

- **Policy Background and Overview**

John-Pierre shared with the committee the Plan Management policy in Maryland from 2014 onward. This discussion included the minimum and maximum QHP offering requirements for participating issuers, policy overview of Maryland's Marketplace, and policies from other states marketplaces. The information shared included, but was not limited to: Maryland's QHP offering requirement, the number of plans for 2014-2017 plan years, and current practices in other state Marketplaces offering standardized health plans.

Other State Marketplaces rules were shared with the workgroup. These states included: Connecticut, Oregon, Massachusetts, California, D.C., and New York.

John-Pierre shared with committee members a recap of decisions made at the previous meeting, and highlighted areas that were not finalized. The areas that were not finalized previously are as follows:

1. An issuer's requirement to offer standardized benefit designs;

2. Standardized benefit designs and established QHP offering rules, i.e. limitation standards and meaningful difference; (There was a consensus from the committee that there should be no adjustment with the current structure)
 3. Standardized benefit designs and network type considerations, and copay/coinsurance cost-sharing considerations therein. (
- **Recommendations for scope of the Standardized Benefit Design policy**

Maryland QHP offering standards: The work group first addressed whether the requirement to offer a standard benefit design should add to maximum QHP offerings, or remain the same. MHBE offered the recommendation that the established standards (a minimum 1 QHP at the bronze, silver, and gold metal levels, and a maximum of up to four QHPs per metal level) should not be changed. The workgroup reached consensus that the QHP offering standards should not be changed.

Benefit categories included in the standard plan: The work group discussed the extent to which standardization of benefits can occur. To fully standardize a benefit design issuers would have to adopt the same contract language as well. The work group understood the extent to which standardizing benefits could occur while balancing the administrative burden on issuers. The work group members discussed the merits of standardizing a subset of benefits offered. Generally the work groups found issues with the approach taken by Massachusetts, specifically with determining which offered services fall within each of the cost-sharing categories. This approach would require definitional standardization. Further the members determined that standardizing a subset of benefits is still not truly standardizing plans. It was then discussed that the benefits and definitions used by the SBC could be the foundation off which standard plans could be designed. Further, the SBC contains the total maximum benefit categories that are displayed to a consumer during plan shopping. Utilizing the SBC could also be beneficial in that issuers are knowledgeable of the SBC's benefit category definitions and the services attributed to them.

The workgroup members coalesced around utilizing the SBC as the foundation for building a standardized benefit design. There are specific concerns that should be addressed when taking this approach:

- Should the standard benefit design include more than federal EHBs? These are all that are displayed on the SBC. Maryland requires certain state-mandated EHBs that could be included, i.e. infertility and abortion services.
- Should the standard benefit plan include non-EHBs benefits, i.e. adult vision and adult dental?
- For the limitations and exceptions section of the SBC should only state mandates be included for each benefit in standard benefit design?
- Should disclaimer language be added that for specific benefits/services members should contact the carrier or refer to the contract?
- Should some benefit categories on the SBC be removed from standardization, i.e. "Other Practitioners" category?

ACTION ITEM: Issuer member should respond on the operational implications of using the SBC benefit categories and definitions as the foundation to develop standard plans. Specifically, for the limitations and exceptions column:

Does the issuer have any limitations and exceptions outside those required by the State?

Are there any benefit categories in the SBC that should be exempt from standardization and why? From a mapping perspective?

Network type considerations: The workgroup members also discussed network type considerations for standard plans. For example, HMO product cost-sharing structures are generally based upon copayments

and some coinsurances. PPO product cost-sharing structures are generally based upon coinsurance. MHBE shared insights on the California model whereby there are separate standard plans for PPO and HMO products. Many workgroup members shared concerns on whether there would be a benefit to developing different cost-sharing for PPO and HMO products. Given that one PPO currently participates on the marketplace, standardizing would provide no value-add. MHBE recommends that one standard benefit design be applied to all offered network types – PPO or HMO – and that only in-network benefits be standardized.

ACTION ITEM: Issuer members are asked to provide insight on their experience participating on the DC marketplace with changing PPO cost-sharing to the standard plan cost-sharing. Did changing to standard plans have a material effect on premiums?

Issuer members are asked to provide insight on their off-Exchange enrollment distribution across each of the metal levels. This information will provide insight into the off-Exchange effects standardization would have.

Next steps: MHBE will present the proposed MD-standard plan at the next session for the workgroup to discuss. This proposed plan will be presented side-by-side with the DC plan and the most popular plan offered on the Marketplace within that metal level.

Summary of decisions

No formal votes were held at this session.

Next Meeting

6/29/2017 2:00 PM, Maryland Health Benefit Exchange, 750 East Pratt Street, Baltimore, MD 21202

Motion to adjourn was made at 4:30 P.M. and was passed unanimously.