



# Standardized Benefit Design Workgroup

August 24, 2017



## Welcome and Introductions

# Standing Agenda

Roll Call

Meeting Minutes Approval – July

## ✦ *April 27, 2017* – Decision Recap

Synopsis: Workgroup members will converse on the scope of the Standardized Benefit Design including:

- Requirement to vote on the requirement for issuers to offer a standardized benefit design held at next session
- Consensus, no value-add to the SHOP Marketplace if a standardized plan offering were required.
- Affirmative, offering of a standardized plan on the individual marketplace would be a value add to the consumer
- Consensus, no value-add to offering a platinum standardized benefit design
- Affirmative, the work group will continue to design a standard gold plan. Work group members would determine the value-add thereafter.
- Affirmative, offering a standard silver plan would be a value-add to the consumer. Member should explore the option of developing an HSA compatible silver plan
- Affirmative, the work group will continue to design a standard bronze plan. Members will explore development of two bronze options – one with first dollar coverage and another that is an HDHP

## ✦ April 27, 2017 – Recommendations for scope of the SBD Policy

Synopsis: Workgroup members will converse on the scope of the Standardized Benefit Design including. The following were determined:

- a. An issuer requirement to offer standardized benefit designs;  
Will be voted on at the end of the SBD WG process
- ~~b. Standardized benefit design availability in the individual and SHOP Marketplaces;~~
- ~~c. Standardized benefit design availability across, a subset, or each metal level;~~
- ~~d. Standardized benefit designs and health savings account/high deductible health plan eligibility;~~
- ~~e. Standardized benefit designs and established QHP offering rules, i.e. limitation standards and meaningful difference~~
- ~~f. Standardized benefit designs and network type considerations, and copay/coinsurance cost-sharing considerations therein.~~

## ✦ June 15, 2017 – Decision Recap

Synopsis: Workgroup members will converse on determining the approach to development of the Standardized Benefit Design including:

- Vote on leaving established QHP rules in place (informal consensus)
- Vote to standardize only for in-network cost sharing
- Vote to use the SBC as the basis for benefits included in standardization
- Vote to include state mandated benefits in standardization
- Vote that issuers may add non-standard benefits to their plans

## ✦ June 15, 2017 – Recommendations for determining the approach to Standardized Benefit Design development

Synopsis: Workgroup members will converse on determining the approach to development of the Standardized Benefit Design including:

- ~~a. Review of Standardized Benefit Design offerings in other Marketplaces~~
- ~~b. Presentation of the enrollment-weighted proposed Maryland-specific plan compared against popular QHPs~~
- ~~c. Determination of a plan to model the Maryland SBD off of or build unique Maryland-specific plans~~
- ~~d. Conversation on Workgroup member policy/SBD philosophical goals~~
- ~~e. Discussion on MHBE/Workgroup member assistance with Actuarial Value Calculator modeling~~
- ~~f. Discussion on regulatory/statutory considerations with development of the SBD~~

- ✦ Presentation of the enrollment-weighted proposed Maryland-specific plan compared against popular QHPs



Standard Plan  
and Comparison



DC Standard  
Plans

- ✦ Determination of a plan to model the Maryland SBD off of or build unique Maryland-specific plans
- ✦ Conversation on Workgroup member policy/SBD philosophical goals



### ✦ *ACTION ITEMS for June 29:*

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?

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.

## ✕ June 29, 2017 – Decision Recap

Synopsis: Workgroup members will continue conversation on determining the approach to development of the Standardized Benefit Design including:

- Consensus, leaving established QHP offering rules in place, i.e. plan offering limitation standard (no more than four offerings per metal level) and plan minimum offering standard (participating issuers must offer at least one plan at the bronze, silver, and gold metal levels).
- Consensus, cost-sharing and benefits should only be standardized for in-network services.
- Consensus, utilization of the Summary of Benefits and Coverage document as the basis for benefit categories included in standardization.
- Consensus, non-standard benefits - MHBE and the work group determined that a vote on this topic be delayed until a formal motion has been written up.
- Consensus, development of standard QHP through enrollment weighted-methodology.

✦ *June 29, 2017* – Recommendations for determining the approach to Standardized Benefit Design development

Synopsis: Workgroup members will continue conversation on determining the approach to development of the Standardized Benefit Design including:

- a. Review of May SBD Workgroup Recommendations
- b. Discussion on SBD development approach for each metal level of recommended offering
- c. Discussion on unique benefit design consideration for each metal level of coverage

### ✦ *ACTION ITEMS for July 27:*

Issuer members should provide the work group with a list of non-standard benefits, i.e. non-EHB and non-state mandate.

Members are asked to assist in the development of disclaimer language to provide the consumer when shopping for a standardized plan.

Issuer members should provide to the work group a list of benefits/services that are difficult to match with categories on the SBC.

Members are asked to think through appropriate disclaimer language that would best help consumers understand the concept of a standardized benefit design, what important caveats there are to consider, and important actions to take if there are more questions.

## ✦ July 27, 2017 – Decision Recap

Synopsis: Workgroup members will continue conversation on determining the structure of the Standardized Benefit Design.

### *To be revisited in August:*

- Cost-sharing for High Deductible Health Plan (HDHP) bronze, with no charge after the deductible; the deductible would be tied to a Health Savings Account (HSA). It was determined that MHBE would utilize CareFirst's structure for its HDHP bronze plan design.
- Using a stacked family deductible instead of an aggregate family deductible.
- Separate drug and medical deductible instead of combining the medical and drug deductibles.
- Using copays exclusively and no coinsurance for whatever standardized plans are chosen.
- Using CareFirst gold plan design structure for a gold standardized plan, and Kaiser's bronze plan design for the bronze standardized plan design.
- The motion on non-standard benefits was discussed and refined.

### ✦ *August 24, 2017 – Recommendation for each Standardized Benefit Design*

Synopsis: Workgroup members will continue conversation on determining the structure of the Standardized Benefit Design including:

- a. Discussion on the Standardized Benefit Design for a plan offering

Philosophy: The developed standard plans should reflect the following priorities:

1. Unless an HDHP, the standard plans should offer first-dollar coverage of services before the deductible.
2. The standard plans should incentivize consumers to seek care at lower cost facilities and providers.
3. The standard plans should reduce the cost of care for children to the extent actuarially possible.
4. Generally the standard plans should be designed such that there is an easily understandable cost-sharing structure across all services – to the extent possible.
5. The standard plans should utilize co-pays instead of coinsurance as the cost-sharing structure to the extent possible.

### ✦ *August 24, 2017 – Recommendation for each Standardized Benefit Design*

#### Plan Design Details:

1. Most children's benefits are free.
2. Pediatric dental benefits use coinsurance instead of copay.
3. Limited benefit categories utilize coinsurance:
  - Durable Medical Equipment
  - Prosthetic Devices

- ✦ *August 24, 2017 – Recommendation for each Standardized Benefit Design*

Benefit Design Presentation:



Questions or Comments?

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