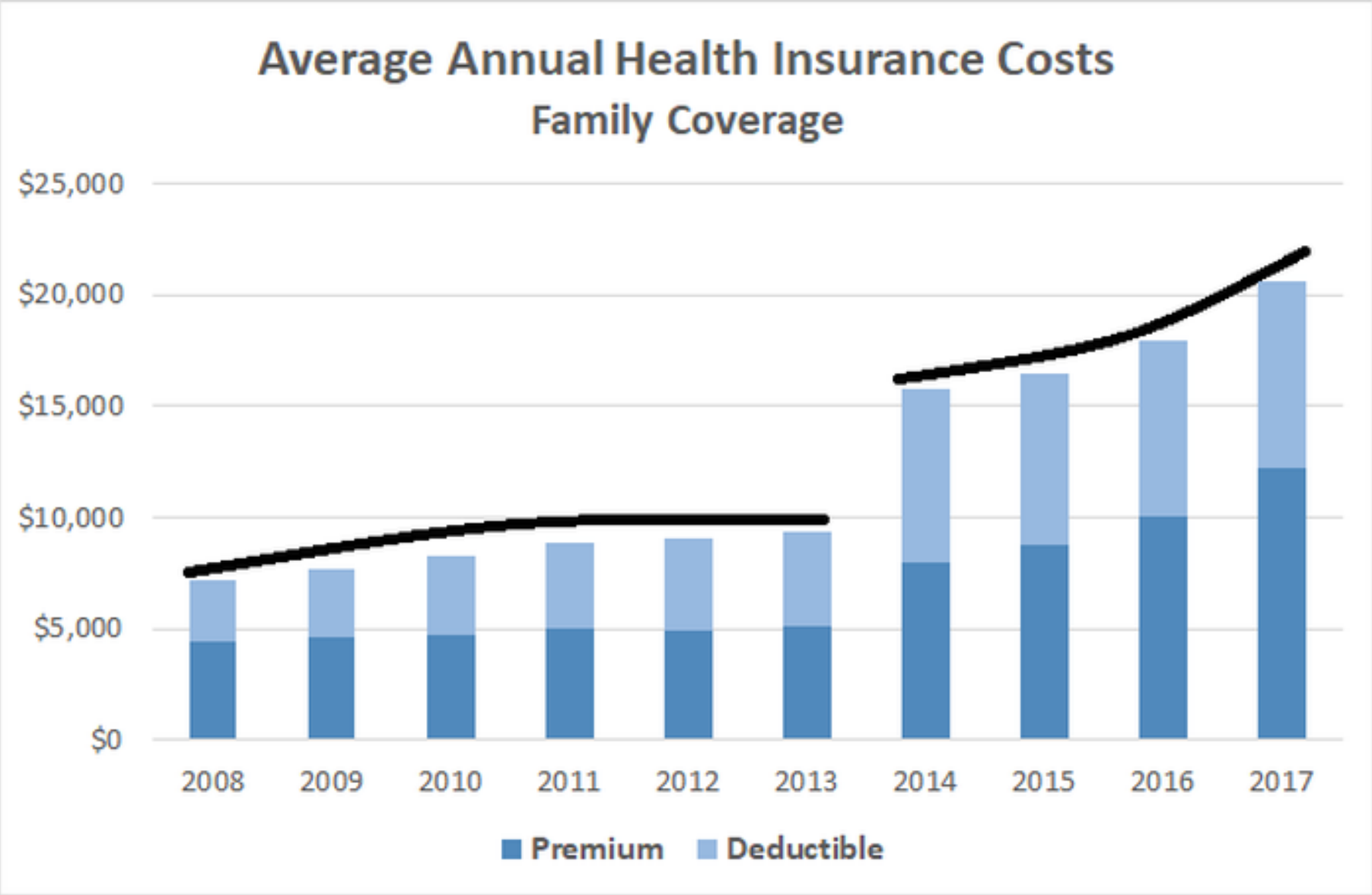


Proposed 2021 Plan Certification Standards

John-Pierre Cardenas, Director of Policy and Plan
Management



SOURCE: "The Most Important Health Insurance Chart You'll Ever See," The Motley Fool, Keith Spreights, 09/05/17

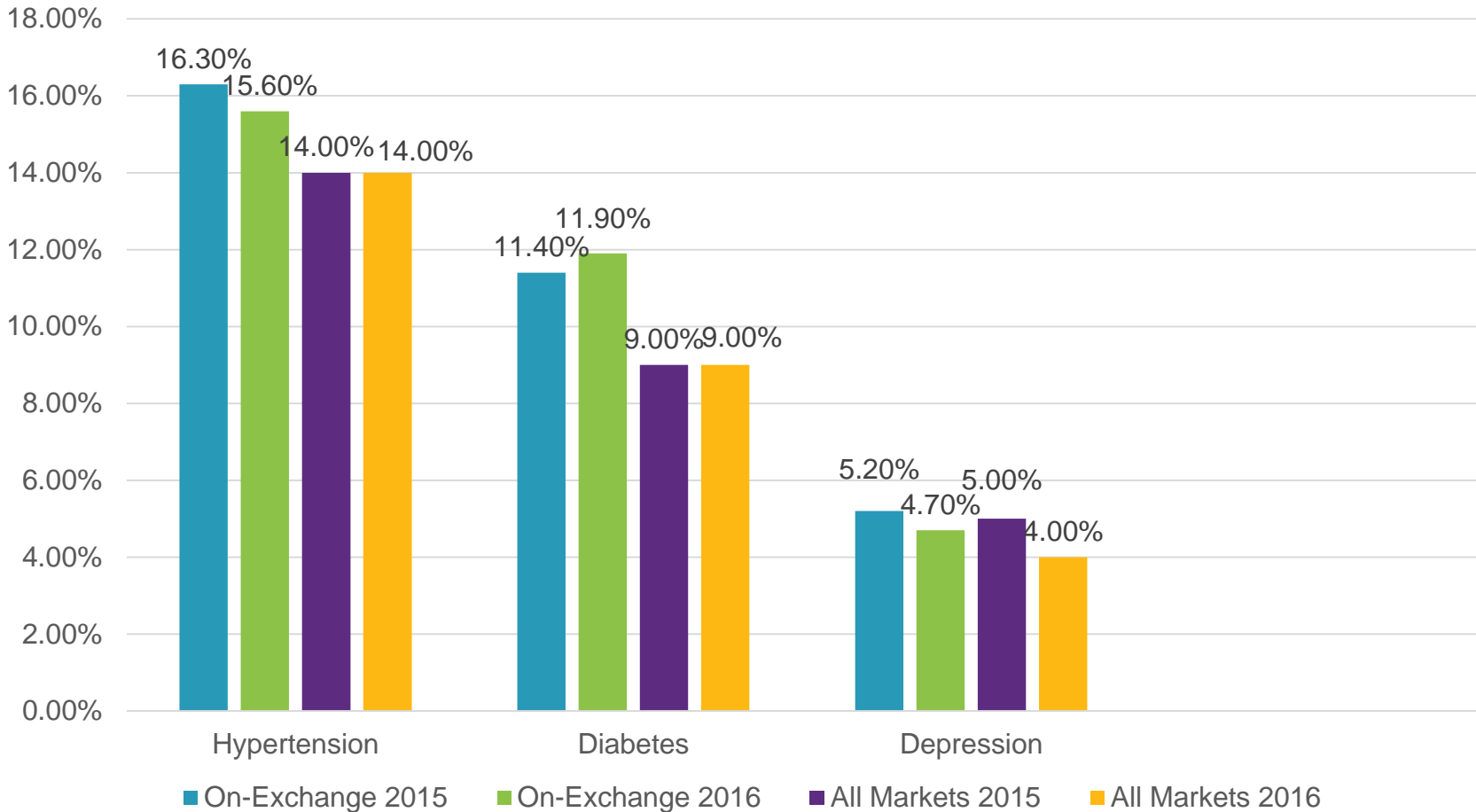
2021 Plan Certification Standards & Policy Concepts

- 2021 Plan Certification Standards & Policy Concepts seek to:
 1. Build off improvements in 2020.
 2. Establish reasonable consumer expectations for out-of-pocket costs.
 3. Align consumer incentives for health care service utilization.
 4. Increase enrollee effectuation rates in the individual marketplace.
 5. Align carrier incentives to manage members with high costs.
 6. Increase access to stand-alone dental coverage through Maryland Health Connection.



Proposed Value Plan Standards

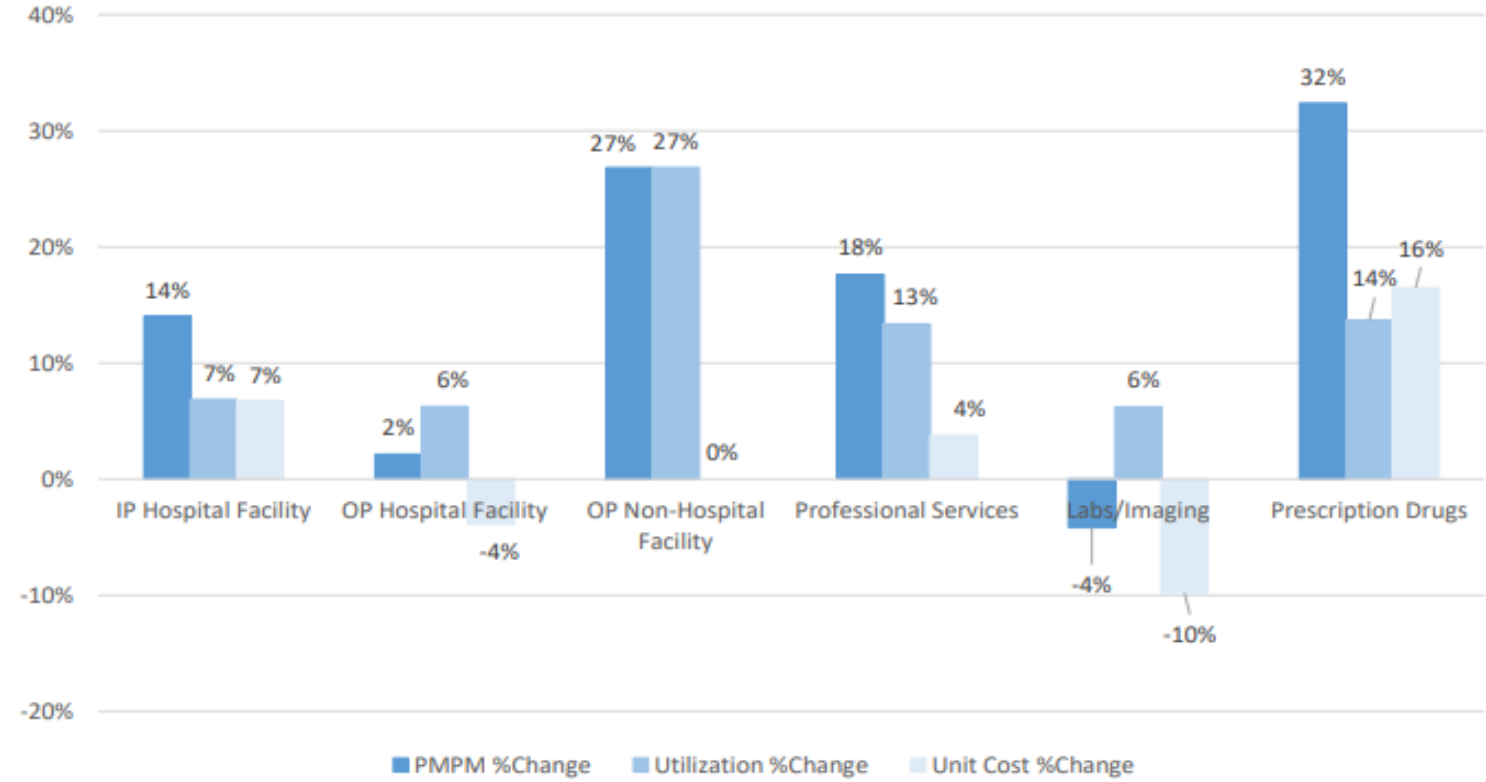
2015 – 2016 Prevalence of Select Conditions.



SOURCE: Spending and Use Among Maryland's Privately Insured (MHCC 2018 & 2019)

2016 – 2017 Drivers of Spending Growth in the Individual Market.

Exhibit 15: Annual Percentage Changes in PMPM Spending, Utilization per 1,000 Members, and Cost per Unit, by Service Category in the Individual Market (ACA-Compliant and Non-Compliant Plans): 2016 – 2017

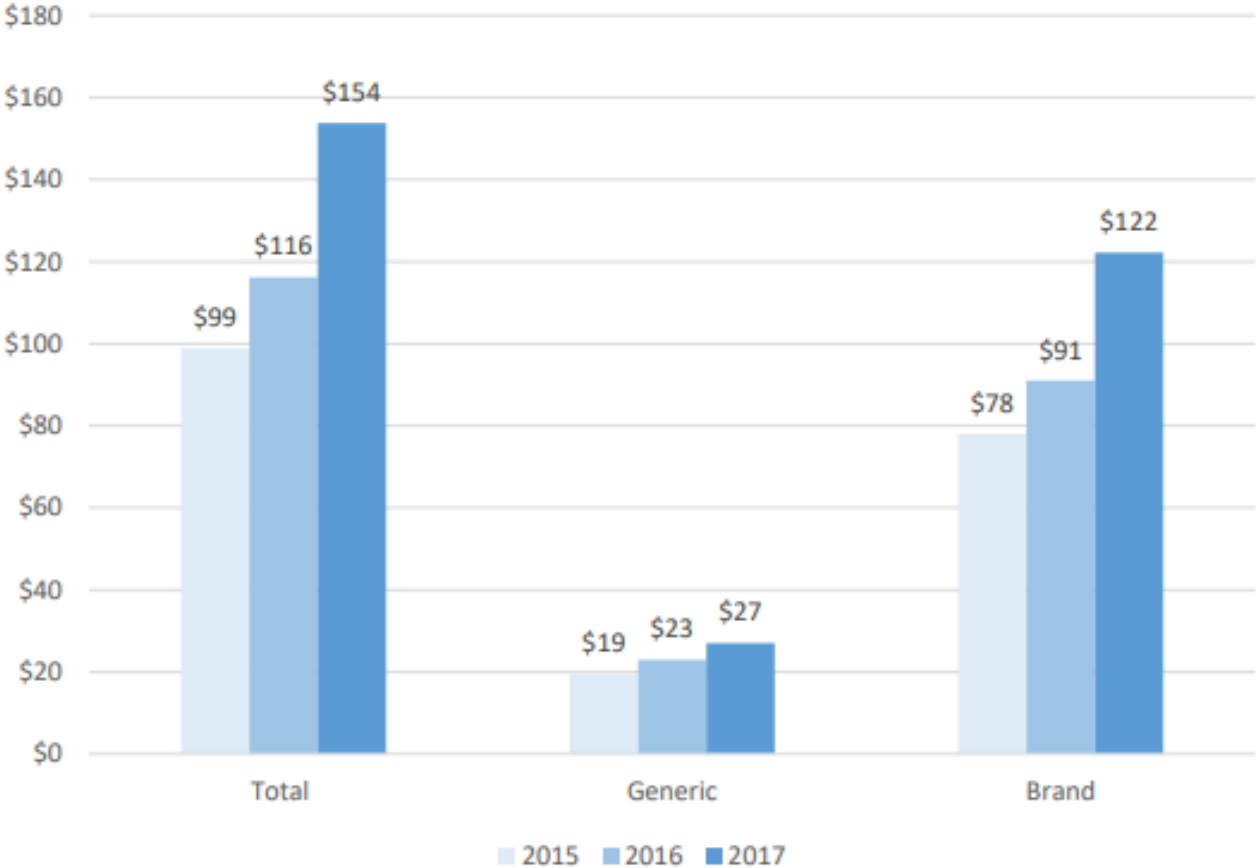


Note: (1) Results exclude Kaiser HMO plans.

SOURCE: Spending and Use Among Maryland’s Privately Insured (MHCC 2019)

2015-2017 Prescription Drug PMPM by Drug Type, Individual Market.

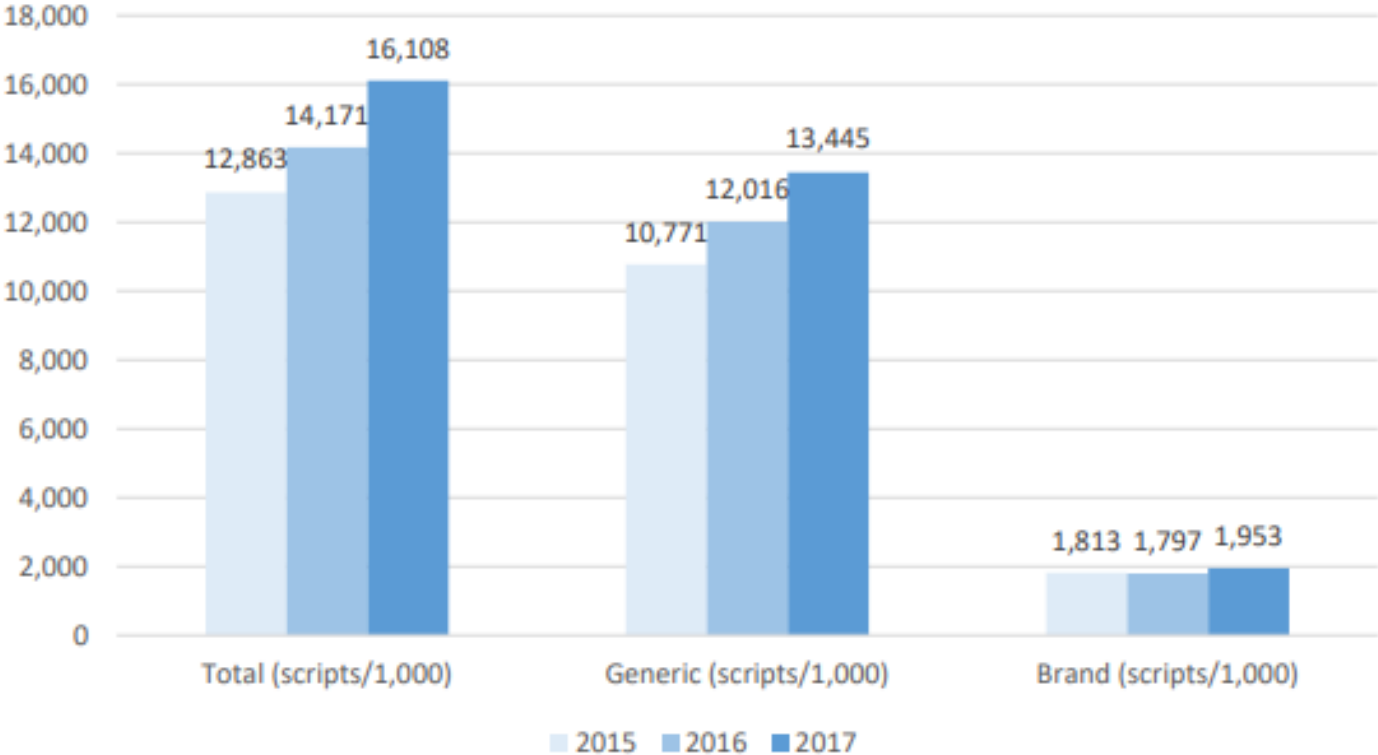
Exhibit A5: Prescription Drug PMPM Changes by Drug Type, Individual Market, 2015 – 2017



SOURCE: Spending and Use Among Maryland’s Privately Insured (MHCC 2019)

2015-2017 Prescription Drug Utilization by Drug Type, Individual Market.

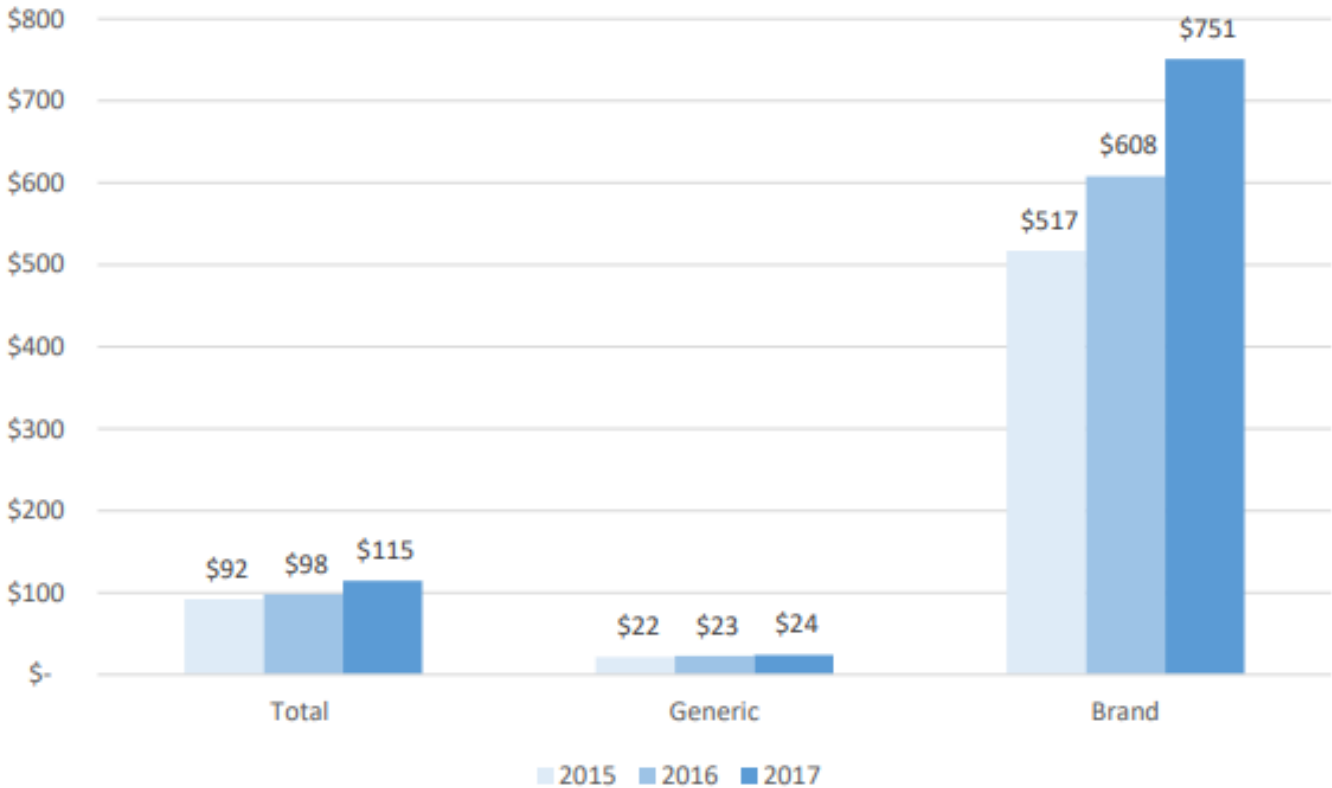
Exhibit A9: Prescription Drug Utilization Changes by Drug Type, Individual Market, 2015 – 2017



SOURCE: Spending and Use Among Maryland’s Privately Insured (MHCC 2019)

2015-2017 Prescription Drug Costs by Drug Type, Individual Market.

Exhibit A13: Prescription Drug Unit Cost Changes by Drug Type, Individual Market, 2015 – 2017



SOURCE: Spending and Use Among Maryland’s Privately Insured (MHCC 2019)

Expansion of Preventive Services for Certain Chronic Diseases Permitted before Deductible (HDHP Parity Rule)

- **BACKGROUND:** [IRS Notice 2019-45](#) expanded the scope of preventive services permitted to be covered before deductible by a high-deductible health plan to include certain services for certain chronic diseases.

Preventive Care for Specified Conditions	For Individuals Diagnosed with
Angiotensin Converting Enzyme (ACE) inhibitors	Congestive heart failure, diabetes, and/or coronary artery disease
Anti-resorptive therapy	Osteoporosis and/or osteopenia
Beta-blockers	Congestive heart failure and/or coronary artery disease
Blood pressure monitor	Hypertension
Inhaled corticosteroids	Asthma
Insulin and other glucose lowering agents	Diabetes
Retinopathy screening	Diabetes
Peak flow meter	Asthma
Glucometer	Diabetes
Hemoglobin A1c testing	Diabetes
International Normalized Ratio (INR) testing	Liver disease and/or bleeding disorders
Low-density Lipoprotein (LDL) testing	Heart disease
Selective Serotonin Reuptake Inhibitors (SSRIs)	Depression
Statins	Heart disease and/or diabetes

Expansion of Preventive Services for Certain Chronic Disease Permitted before Deductible (HDHP Parity Rule)

- **CONCEPT:** Apply the expanded list in IRS Notice 2019-45 that may be permitted before deductible for HDHPs to non-HDHP qualified health plans in the individual market for certain services. MHBE seeks comment on the services that should be required before deductible.
- **GOAL:** To improve health outcomes, increase utilization of high value care, lower out-of-pocket costs for enrollees with chronic diseases, and align individual market plans with state-wide population health initiatives.
- **PROPOSAL OPTIONS:**
 1. **BROAD:** Apply the HDHP Parity Rule for certain services to all non-HDHP QHPs.
 2. **NARROW:** Apply the HDHP Parity Rule for certain services to all Value Plans.
- **CONSIDERATIONS:**
 1. Impact to premiums and actuarial value.
 2. Impact to public health and access to preventive care.

Out-of-Pocket Cost and Deductible Stability Plan

- CONCEPT: Leverage the “Value” Plans structure to incrementally implement Value-Based Insurance Design concepts and promote medical adherence.
- GOAL: Provide consumers with reasonable expectations of deductibles and out-of-pocket costs while promoting cost-sharing structures that:
 1. Increase the use of high-value care.
 2. Decrease the use of low-value care.
 3. Limit premium increases attributable to increased actuarial value.
- EXTERNALITIES:
 1. Increase market participation with the availability of high value plans.
 2. Align products in the individual market with state-wide initiatives under the Total Cost of Care Waiver.
 3. Create incentives for value-based product innovation

Out-of-Pocket Cost and Deductible Stability Plan

YEAR 2020: Implement “Value” plans with deductible and before deductible service requirements.

Requirements	Bronze	Silver	Gold
Minimum offering	Issuer must offer at least 1 “Value” plan.	Issuer must offer at least 1 “Value” plan.	Issuer must offer at least 1 “Value” plan.
Branding	Required for 2020.	Optional.	Optional.
Deductible ceiling	No requirement. Lower deductibles are encouraged.	\$2500 or less.	\$1000 or less.
Services Before Deductible	<p>Issuer may allocate no less than three office visits across the following settings:</p> <ul style="list-style-type: none"> • Primary Care Visit (not including preventive care) • Urgent Care Visit • Specialist Visit 	<ul style="list-style-type: none"> • Primary Care Visit • Urgent Care Visit • Specialist Care Visit • Laboratory Tests • X-rays and Diagnostics • Imaging • Generic Drugs* 	<ul style="list-style-type: none"> • Primary Care Visit • Urgent Care Visit • Specialist Care Visit • Laboratory Tests • X-rays and Diagnostics • Imaging • Generic Drugs

*Encouraged.

Out-of-Pocket Cost and Deductible Stability Plan

YEAR 2021: No changes for the Value Bronze Plan. Limited modifications to the Value Silver and Value Gold Plans.

- Both Value Silver and Value Gold Plans: No change in deductible ceiling, lower deductibles encouraged.
- Value Silver only:
 - Requirement #1 – Modify before deductible services to include Generic Drugs.
 - Requirement #2 – Modify before deductible services to exclude Imaging.
 - Flexibility – Options to help issuers meet Value Silver requirements offsets to increases in AV may include:
 1. Changes to cost sharing for Specialist Care Visit, Laboratory Services, and X-rays and Diagnostics.
 2. Limitations for Laboratory Services and X-rays and Diagnostics.

Out-of-Pocket Cost and Deductible Stability Plan

YEAR 2021: No changes for the Value Bronze Plan. Limited modifications to the Value Silver and Value Gold Plans.

- Value Gold only:
 - Flexibility – Options to help issuers meet Value Gold requirements offsets to increases in AV may, but are not limited to, include:
 1. Changes in cost sharing for Specialist Care Visit, Laboratory Services, X-rays and Diagnostics, and Imaging.
 2. Limitations for Laboratory Services, X-rays and Diagnostics, and Imaging.
 3. Exclusion of Imaging from Before Deductible Services.
- Options to modify Value Gold prescription drug structure to reduce out-of-pocket costs for brand drugs:
 1. Implement a prescription drug deductible ceiling of no greater than \$250.
 2. Include Preferred Brand Drugs as a Before Deductible Service.

Out-of-Pocket Cost and Deductible Stability Plan

- YEAR 2021: No changes for the Value Bronze Plans. Limited modifications to the Value Silver and Value Gold Plans. Note: Value Gold does not include modified prescription drug structure.

Requirements	Bronze	Silver	Gold
Minimum offering	Issuer must offer at least 1 “Value” plan.	Issuer must offer at least 1 “Value” plan.	Issuer must offer at least 1 “Value” plan.
Branding	Required.	Required.	Required.
Medical Deductible Ceiling	No requirement. Lower deductibles are encouraged.	\$2500 or less.	\$1000 or less.
Services Before Deductible	Issuer may allocate no less than three office visits across the following settings: <ul style="list-style-type: none"> Primary Care Visit Urgent Care Visit Specialist Visit 	<ul style="list-style-type: none"> Primary Care Visit Urgent Care Visit Specialist Care Visit Laboratory Tests*+ X-rays and Diagnostics*+ Generic Drugs 	<ul style="list-style-type: none"> Primary Care Visit Urgent Care Visit Generic Drugs Specialist Care Visit Laboratory Tests* X-rays and Diagnostics*

Recommended to maintain, or decrease, cost sharing from 2020.

*May be subject to limitation.

+May be excluded from before deductible services.

Out-of-Pocket Cost and Deductible Stability Plan

YEAR 2022: Deductible Increment Rule Base Year.

- Deductible Increment Rule Base Year:
 1. A formula to determine yearly allowable increases to the deductible ceilings for Value Silver and Value Gold Plans. For the 2022 Base Year:
 - Value Silver Deductible Ceiling = 6%(2022 Maryland Median Wage)
 - Value Gold Deductible Ceiling = 2.5%(2022 Maryland Median Wage)
 - For both, the final deductible ceiling is the output rounded upward to the nearest 100th.

Out-of-Pocket Cost and Deductible Stability Plan

YEAR 2023: Implement Deductible Increment Rule.

- Deductible Increment is the amount the deductible ceilings may increase for Value Gold and Value Silver plans from the base year.
 - OPTION 1: The deductible ceiling is adjusted every two years.
 - OPTION 2: The deductible ceiling is adjusted every year.
- Deductible Increment factor may draw from other indicators of medical cost growth, for example:
 1. Increases in the Annual Out-of-Pocket Maximum.
 2. Deductible thresholds established by the IRS for High Deductible Health Plans.
 3. A Maryland-specific index.
 4. Consumer Price Index (instead of the Medical-CPI)

The background is a solid teal color. In the center, there is a stylized graphic of a flower or a starburst shape, composed of four overlapping, rounded, petal-like shapes that meet at the center. The text is centered over this graphic.

Proposed Plan Certification Standards

PayNow URL Requirement

- **CONCEPT:** Require issuers participating on Maryland Health Connection to implement a PayNow URL, i.e. to allow consumers to pay their first month's premium at the point of enrollment.
- **GOAL:** Increase coverage effectuation in the individual market.
 1. Promote market stability through increased member months.
 2. Lowers the administrative barriers to access coverage for consumers.
- **EXTERNALITIES:**
 1. When coupled with other enrollment initiatives (the Maryland Easy Enrollment Health Insurance Program) this requirement may increase coverage up-take for target populations.
 2. Creates a uniform customer service experience on Maryland Health Connection.
- **UTILIZATION:** The PayNow URL was utilized 11,000+ in Open Enrollment 2018.

Co-pay Accumulator Program Transparency

- **CONCEPT:** Require issuers to disclose in their “Important Information About This Plan” document if they utilize a Co-pay Accumulator Program for prescription drugs covered in their formulary and provide information on how the program may impact their out-of-pocket costs.
- **GOAL:** Increase coverage transparency for enrollees with who utilize coupons to reduce the cost their prescription drug.
 1. Increase informed decision making.

Expand Access to Stand-Alone Dental Coverage

- CONCEPT: Implement special enrollment periods for Stand-Alone Dental Coverage offered on Maryland Health Connection for the following trigger events:
 1. Determination of eligibility for Medical Assistance Programs.
 2. Determination of eligibility for a Qualified Health Plan.
 3. New enrollment in the Small Business Health Options Program.
 4. Access to an excepted benefits HRA.
- GOAL: Expand access to dental coverage and increase enrollment in Stand-Alone Dental Plans offered on Maryland Health Connection.

Increased Premium Rating Options for Small Employers

- CONCEPT: Require SHOP issuers offer at least one QHP at the bronze, silver, and gold metal levels that allows for Composite Rating.
- GOAL: Expand access to alternative premium options for small employers participating on the SHOP.

Lower Administrative Barriers for New Market Entrants

- CONCEPT: Offer optional sample plan designs at the bronze, silver, and gold metal levels.
- GOAL: Lower administrative barriers for potential new market entrants with limited experience with plan design development.

Thank you!

