

Date: December 30, 2020

From: The Maryland Health Benefit Exchange

Re: Proposed 2022 Bronze Value Plan Certification Standards for Public Comment

At the November 16, 2020 meeting, the Maryland Health Benefit Exchange (MHBE) Board of Trustees reviewed proposed 2022 value plan certification standards. The Board voted to release the proposed standards for public comment. The proposed standards were published to the MHBE public comment webpage on September 30, 2020 and comments were accepted through October 30, 2020.

2022 Silver and Gold Value Plan Standards

The MHBE Board of Trustees adopted final 2022 silver and gold value plan standards at the November 16, 2020 meeting as shown in Table 1. The standards that are new for 2022 are bolded.

2022 Bronze Value Plan Standards

The MHBE proposed modifying 2022 bronze value plan standards to require pre-deductible coverage of all primary care visits, mental health/substance use disorder outpatient (MH/SUD) visits, and generic drugs, using maximum copays to be determined after release of the 2022 Actuarial Value (AV) calculator. The goal of this proposal was to align with Maryland population health initiatives focused on supporting primary care and opioid use disorder treatment and prevention, and to strengthen the value proposition of bronze value plans.

At the November 16 meeting, the MHBE Board voted to delay finalizing 2022 bronze value plan standards until after release of the draft 2022 AV calculator, pursuant to comments from carriers, the MIA, and MHBE staff recommendation.

The draft 2022 AV calculator was released on December 6, 2020. MHBE reviewed the calculator and now proposes to require bronze value plans to offer pre-deductible coverage of primary care and MH/SUD visits with copays of not more than \$40, and generic drugs with copays of not more than \$20. **MHBE solicits public comment on this proposal. Comments should be sent to policy.mhbe@maryland.gov and are due January 15, 2021**. The accelerated comment period will allow MHBE to present a final recommendation to the MHBE Board at their January 19, 2021 meeting, with the goal of allowing carriers time to finalize 2022 plan designs prior to MIA filing deadlines. MHBE believes this timeline is reasonable given the proposed standards align with those initially proposed.

MHBE believes these proposed standards meet the goal of aligning with Maryland population health initiatives and strengthening the value proposition of bronze value plans, while minimizing required changes to carriers' 2021 bronze value plan designs. As shown in Table 2, carriers' 2021 bronze value plans in most cases meet or are close to these requirements. Carriers would continue to be free to determine all other components of plan design for bronze value plans in accordance with state and federal law. MHBE also reminds stakeholders that carriers may offer non-value plans with the cost-sharing designs of their choice, in accordance with state and federal law.

MHBE emphasizes that the proposed copay values are proposed maximums and encourages carriers to consider lower copay values for the identified services, particularly generic drugs. The national data used in the AV calculator indicates that there are an average of 6.75 generic scripts per bronze plan member per year, compared to an average of one primary care visit and 0.85 MH/SUD visits. Given the higher rate of generic drug utilization, reducing generic drug copays will be more beneficial to most consumers than reducing copays in the other proposed pre-deductible services.

The AV calculator data also indicates that a \$40 copay represents 25%-32% of the average total allowed cost of a primary care or MH/SUD visit, whereas a \$20 copay represents 64% of the average total allowed cost of a generic drug prescription. Therefore, an additional reduction in the generic drug copay would bring the ratio of consumer cost-sharing to total allowed cost more into alignment with the ratio for primary care and MH/SUD visits. Furthermore, reducing generic copays may support medication adherence, potentially leading to better health outcomes and further stabilization of the individual market risk pool.

Table 1. 2022 Newly Proposed Bronze and Final Silver and Gold Value Plan Requirements

Requirements	Bronze (Proposed)	Silver (Final)	Gold (Final)
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	<p><u>2021 requirement</u> Issuer may allocate a total of no less than three office visits across one or more of the following settings:</p> <ul style="list-style-type: none"> • Primary Care Visit • Urgent Care Visit • Specialist Visit <p><u>Proposed 2022 requirements</u></p> <ul style="list-style-type: none"> • Primary Care Visits with copay of not more than \$40 • Mental Health and Substance Use Disorder Outpatient Visits with copay of not more than \$40 • Generic Drugs with copay of not more than \$20 	<ul style="list-style-type: none"> • Primary Care Visits[^] • Urgent Care Visits[^] • Specialist Care Visits • Mental Health and Substance Use Disorder Outpatient Visits • Generic Drugs • Laboratory Tests • X-rays and Diagnostics^{*+} • Diabetic Supplies (insulin and glucometers)[§] 	<ul style="list-style-type: none"> • Primary Care Visits[^] • Urgent Care Visits[^] • Specialist Care Visits • Mental Health and Substance Use Disorder Outpatient Visits • Generic Drugs[^] • Laboratory Tests[*] • X-rays and Diagnostics[*] • Diabetic Supplies (insulin and glucometers)[§]

[^]Recommended to maintain or decrease cost sharing from 2021.

^{*}May be subject to limitation.

⁺May be excluded from before deductible services

[§]Must be covered with no cost sharing. Note that Maryland law already requires coverage of test strips with no cost sharing for non-high deductible plans.

Table 2. Selected Cost-Sharing Elements for 2021 Bronze Value Plans by Carrier

Plan Design	Kaiser	United	CareFirst
Actuarial Value	63.91%	64.56%	64.97%
Deductible	\$6,000	\$7,500	\$6,000
Maximum Out-of-Pocket	\$8,550	\$8,550	\$8,300
Primary Care Visit	\$55*	\$40	\$40
MH/SUD Outpatient Visit	40% after deductible	\$120	\$40
Generic Drugs	\$25	\$20	\$20 after deductible

*First three primary care visits covered with a \$55 copay, thereafter enrollee pays 40% coinsurance after deductible.