# MHBE

## Affordability Workgroup

August 3, 2022
1:00PM – 3:00PM
Via Google Meets

**Members Present:**
David Stewart, Co-Chair
JoAnn Volk, Co-Chair
Brad Boban
Dr. Evalyne Bryant-Ward
Matthew Celentano
Steven Chen
Maya Greifer
Emily Hudson
Dr. Howard Haft
Stephanie Klapper
Michelle Livshin
Allison Mangiaracino
Jonathan McKinney
Robert Metz
Lisa Solomon
Allison Taylor
Pamela R. Williams

**Staff**
Michele Eberle
Johanna Fabian-Marks
Becca Lane

**Welcome and Roll Call**
JoAnn Volk opened the meeting and asked attending members to indicate their presence.

**Standard Plan Designs for Review**
Johanna Fabian-Marks, Director of Policy and Plan Management at the Maryland Health Benefit Exchange (MHBE), presented the proposed standard plan designs for the Workgroup's consideration. She reiterated the goals of the designs and displayed the actuarial values (AVs), deductibles, maximum out-of-pocket expenses (MOOPs), and copays for two gold-level, two silver-level, and one bronze level plan design.

Ms. Fabian-Marks pointed out several innovative features of the gold and silver plan designs. For both metal levels, the deductible and MOOP are divided into medical and drug categories. Maryland would be the first place in the nation to offer a separate MOOP for drugs should these plans be adopted. Details on the cost sharing in the draft plan designs can be found in the materials for this meeting.

Next, Ms. Fabian-Marks asked for feedback from the Workgroup on which of the two plan designs presented at the gold and silver levels were preferable. She demonstrated that the gold level has one design with no deductible and a higher medical MOOP and an alternate with a lower medical MOOP with a medical deductible. The silver level has

one design with lower deductibles for both medical and drug coverage along with a higher medical MOOP but a lower drug MOOP. The alternate silver plan has higher deductibles and a higher drug MOOP but a lower medical MOOP.

Dr. Haft asked about urgent care coverage in the standard plans. Ms. Fabian-Marks replied that the current proposed plan designs only include those benefits that are part of the federal AV calculator, and that additional benefits will be included in the next version to be presented at the Workgroup's next meeting.

Brad Boban noted that there is flexibility to modify aspects of the design while still achieving the required AV, adding that moving services into and out of the deductible is far more impactful on the AV than modifying copay amounts.

Allison Mangiaracino asked whether the copay associated with inpatient hospital stays is calculated per day and whether the plan design limits the number of days. Ms. Fabian-Marks answered that it could be that the copay is a per-day figure with no cap, but that staff would have to check with the actuarial consultants and report back. [NOTE: After the meeting, actuarial consulting firm Lewis & Ellis clarified to MHBE staff that the copay for inpatient hospital stays in these draft designs applies once per **stay,** not per day.]

Ms. Mangiaracino commented on the copays for speech therapy and for occupational and physical therapy, noting that they seemed too high given how often they are used by those needing such therapies.

Dr. Haft, citing the potentially troubling economic outlook, preferred lower medical deductibles. He further advocated lowering copays on primary care to drive more utilization in that direction, possibly offset by raising copays on imaging and laboratory services that evidence shows are overutilized. He also proposed lowering or removing copays on diabetes drugs to align with state priorities. Ms. Fabian-Marks noted that the MHBE is evaluating the AV impact of removing copays from diabetes type 2 management, as has been done in Washington, D.C., but cautioned that it may not be possible.

Rob Metz asked whether the proposed plan designs had undergone mental health parity testing. Ms. Fabian-Marks replied that they had not but that the copays are identical. Mr. Boban stated that, since the copays are identical, parity has been achieved, but additional services will need further scrutiny.

Ms. Volk agreed with Ms. Mangiaracino that the copays for speech therapy were too high, especially in the bronze plan. She expressed concern about the jump from zero to a $1000 deductible in the two proposed gold-level designs, noting that it could be a barrier to some.

Maya Greifer asked why the copays for speech therapy and for occupational and physical therapy are different, noting that those are always the same in other states. Ms. Fabian-Marks and Mr. Boban agreed to take another look at those benefits.

Matt Celentano advocated lowering the copay on occupational and physical therapy, especially at the bronze level. He agreed with Dr. Haft regarding overutilization of imaging services, supporting higher copays on that category. He proposed separating some drugs that are important to the state's overall efforts around Total Cost of Care, such as for diabetes, into their own category distinct from generic drugs. He asked whether the preventive care benefit listed in the designs matches the federal definition. Ms. Fabian-Marks answered in the affirmative.

Michelle Livshin expressed concern that the copays for outpatient mental health and substance use disorder services at the silver and bronze levels are too high, given that such services are often utilized once or twice per week.

Ms. Livshin raised an issue that she has seen happen with real patients where they remain in the hospital after being involuntarily committed and cannot be discharged, either because no psychiatrist is available to evaluate them, the courts move slowly, or there is nowhere to safely discharge them. She added that this situation occurs mostly to those in Medicaid, but it could still be a concern for commercial insurance plan members. David Stewart asked whether that scenario occurs often enough that it would impact plan design. Ms. Livshin replied that she would investigate the data and report back to the Workgroup.

Emily Hudson strongly supported the implementation of separate MOOPs for medical and drug benefits. She noted that the copays for specialist visits, speech therapy, and occupational and physical therapy are too high. She explained that patients who use benefits a lot will be seeing specialists far more often than primary care providers, since primary care is mostly preventive and acute care. She further cautioned about raising the copays on imaging and laboratory services, noting that high utilizers of insurance are often people with chronic conditions needing routine lab work.

Ms. Fabian-Marks thanked the Workgroup members and noted that she would present refined plan designs at the next meeting. She asked the Workgroup to weigh in on which of the two gold plan designs is preferable: the one with no deductible and a higher MOOP, or the $1,000 deductible with the lower MOOP.

Ms. Hudson supported the gold plan design with the $1,000 deductible, noting that high utilizers of insurance will benefit more.

Mr. Stewart shared his experience with current plan shoppers: that their primary axis of decision is how many services are available pre-deductible.

Lisa Solomon agreed with Mr. Stewart regarding pre-deductible services. She added that many current enrollees have opted for the gold plan with a $1,750 deductible.

Ms. Hudson noted that many consumers make plan decisions based on plan details that are easier to understand, and that many consumers are confused by coinsurance, leading them to select plans with a greater number of copays instead of coinsurance.

Ms. Livshin noted that people with more health conditions would likely find the gold plan with the deductible and the lower MOOP more attractive, while those with few health conditions are likely to favor the gold plan with no deductible and higher MOOP. Ms. Fabian-Marks agreed, noting that currently available gold plans include many low to moderate utilizers.

Mr. Stewart pointed out that, given the current subsidies, gold plans are very attractive to people whose household income exceeds 200% of the federal poverty level.

**Pre-Deductible Coverage**

Ms. Fabian-Marks presented the Workgroup with an overview of the recently completed comparison of pre-deductible coverage between the existing Maryland Value Plans, the proposed standard plans previously discussed, plans available in Washington, D.C., and plans available in California. She noted that the MHBE prefers the approach taken by Washington, D.C. over that of California, since California employs higher MOOPs while D.C. offers more pre-deductible coverage in gold plans. She concluded by stating that she would incorporate the Workgroup's feedback from today into further refined proposed plan designs for the next meeting.

**Limiting Plans per Metal Level**

Ms. Fabian-Marks presented a proposal to reduce the maximum number of plans any carrier may offer at any one metal level from its current limit of four plans to three plans starting in 2024. She noted that two of the three carriers offering plans through Maryland Health Connection (MHC) currently have four plans per metal level at the silver and gold tiers and would have to eliminate one of each under this proposed limit. If those carriers chose to eliminate the plan with the lowest total enrollment in each category, the total number of impacted enrollees is roughly 1,700, or less than 1% of total MHC enrollment. She concluded by pointing out that, while evidence shows that consumers make better decisions with fewer choices, the proposed change would limit opportunities for innovation in plan design by carriers.

Stephanie Klapper supported the proposed limit, noting that consumers can feel overwhelmed with all the choices available.

Ms. Greifer pointed out that, if the plan limit is implemented at the same time as the standard plans previously discussed, carriers who currently offer four plans per metal level would have to eliminate two plans, one due to the plan limit, and the other to be replaced by the standard plan. Ms. Fabian-Marks agreed.

Mr. Stewart asked whether the MHBE intends to introduce both the standard plans and the plan limits at the same time. Ms. Fabian-Marks welcomed feedback from the Workgroup on whether to do so.

Mr. Boban pointed out that it is common practice for carriers to crosswalk enrolled members from one plan to another during renewal.

Ms. Volk, noting that the MHBE expends much effort to encourage enrollees to come back to MHC at renewal time to shop for the best plan, thought it might be good to implement both changes at once to drive more traffic to MHC.

Ms. Hudson objected that too many changes happening at once will be a disservice to members, since many enrollees simply want what they currently have. She supported implementing the standard plans first, then later working on the plan limits.

Mr. Stewart noted that those most heavily impacted by any disruption around these changes will be the members who do not seek assistance, who always automatically renew. He added that, in the MHBE's past, some enrollees could not be crosswalked from their plan into a similar plan. While those consumers received a notice that they would not be automatically enrolled, many did not open the notice, and some ended up without coverage. He did note that such events have not occurred recently.

Ms. Fabian-Marks stated that the changes proposed do not present a risk of no coverage for enrollees, as any member of an eliminated plan would be easily crosswalked into new coverage.

Mr. Boban, noting that the proposed standard plans are built quite differently from existing value plans, thought it might be preferable for carriers and the MHBE to launch the standard plans as an entirely new product, rather than as an evolution of the value plans. This would argue for delaying the plan limits.

Ms. Mangiaracino asked whether the MHBE would market both value plans and standard plans if they are not crosswalked. Ms. Fabian-Marks replied that the MHBE intends to release carriers of the requirement to offer value plans and exclusively market the standard plans but that carriers could continue to offer their value plans if they desired.

Ms. Fabian-Marks concluded the discussion by noting that a new iteration of the plan designs will be offered at the next meeting.

**Public Comment**
None offered.

**Adjournment**
The meeting adjourned at 2:34 pm