



MHBE

Affordability Workgroup

August 17, 2022
1:00PM – 3:00PM
Via Google Meets

Members Present:

David Stewart, Co-Chair
JoAnn Volk, Co-Chair
Brad Boban
Steven Chen
Maya Greifer
Stephanie Klapper
Michelle Livshin

Allison Mangiaracino
Jonathan McKinney
Robert Metz
Lisa Solomon

Staff

Johanna Fabian-Marks
Becca Lane

Welcome and Roll Call

David Stewart opened the meeting and announced that additional meetings may be required to accomplish the Workgroup's charge. He explained that the plan designs are not yet complete, so the Workgroup cannot vote on them as scheduled.

Approval of Minutes

Mr. Metz made three motions to approve the Affordability Workgroup meeting minutes from June 8, 2022, June 22, 2022, and August 3, 2022. Each was seconded by Ms. Mangiaracino. All three motions were approved unanimously.

Review of First Draft Plan Designs

Johanna Fabian-Marks, Director of Policy and Plan Management at the Maryland Health Benefit Exchange (MHBE), presented the proposed standard plan designs updated to include the Workgroup's feedback at the previous meeting. She summarized the feedback as well as the original draft plan design parameters as a reminder.

Ms. Fabian-Marks then described the second draft plan designs, beginning by demonstrating that, in 2022, nearly half of all enrollees in Maryland Health Connection (MHC) are in gold plans, and roughly one quarter of enrollees are in bronze plans, with most of the remainder in silver plans. She pointed out that nearly all silver plan enrollees are in the two most generous versions of the silver plans that are only available with lower income. Only approximately 2% of enrollees are in the "base" silver plan.

Next, Ms. Fabian-Marks displayed the newly updated draft plan designs. She noted that, whereas at the previous meeting they presented two potential gold plans, the

second draft contains only one version of a gold plan, one version of a silver plan (albeit with variants for the cost sharing reduction (CSR) levels), and two versions of a bronze plan.

Ms. Fabian-Marks then performed a line-by-line comparison between the old gold plan and the new gold plan, noting that the second draft was based on the \$1,000 deductible option from the previous meeting. Updates include the addition of a drug deductible, a 20% increase in the drug maximum out of pocket (MOOP) amount, reduction in copays for inpatient hospital services, specialist visits, speech therapy, occupational and physical therapy, and outpatient facility and surgery fees alongside increased copays for primary care, behavioral health services, and generic drugs.

Ms. Volk noted that the plan changes correspond well to the Workgroup's feedback on the previous version. Mr. Stewart expressed strong support for the drug MOOP. Ms. Mangiaracino appreciated the balance between speech/physical therapy services and somatic treatment.

Mr. Boban asked the Workgroup to consider raising the drug MOOP with a corresponding drop in the generic drug copay, noting that it would likely benefit more individuals in that configuration. Ms. Greifer agreed, noting that her organization's enrollee claims experience supports Mr. Boban's idea. Mr. Stewart expressed concern regarding enrollees choosing, in his experience, a less generous gold plan over a more valuable CSR silver plan simply because the gold plan includes an easy copay for generic drugs. He asked that generic drugs be treated similarly in the CSR silver plans.

Ms. Greifer floated the idea of offering preferred brand drugs pre-deductible. Mr. Boban noted that, since the drug deductible is so low, the impact of the change on the actuarial value (AV) will be minimal but that the drug MOOP would have to increase as well. He cautioned that the silver CSR87 plan design is more tightly constrained than the gold since the CSR87 has the maximum allowed AV already. Ms. Mangiaracino supported offering preferred brand drugs pre-deductible and offered an increase in copays for emergency department (ED) and inpatient services as a tradeoff.

Mr. Metz cautioned that, since the 2024 AV calculator is not yet available, the actuarial values in the draft proposals are likely too low, especially given the additional upward pressure on AV caused by requirements like the value-based insurance design for persons managing diabetes. As the proposed plan designs are already near the top of the allowed AV range, the plan designs as proposed may have to change. Mr. Boban agreed, noting that the Centers for Medicare & Medicaid Services (CMS) adjusts the allowable MOOP for inflation, meaning the Maryland plan designs must follow suit. While CMS paused the trending of AVs during the pandemic, Mr. Boban did not expect that situation to continue, meaning some aspects of plan design may have to be revised after the AV calculator is updated.

Mr. Metz asked how the standard plan designs would treat virtual care, or telehealth, visits, noting that his organization offers primary care virtual visits with no copay

required. He asked that carriers be allowed the flexibility to offer services like this while still maintaining AV limits on the plan. Ms. Mangiaracino agreed with Mr. Metz. Ms. Fabian-Marks replied that she would place the issue on the agenda for the Workgroup's next meeting. Mr. Boban stated that lower copays on telehealth could be accomplished, but the impact on AV would need to be studied. He asked whether the telehealth copay would be left up to the carrier or made uniform in all standard plans. Ms. Fabian-Marks stated that she would seek carrier input on that question.

Ms. Volk, noting that accommodating the telehealth benefit change would require adjusting the drug MOOP, asked whether the same would apply to moving preferred brand drugs into pre-deductible coverage. Mr. Boban replied in the negative, explaining that the silver CSR87 plan already has the maximum allowable MOOP. To encompass the Workgroup's proposed changes, some copays would have to rise to maintain AV. Ms. Mangiaracino recommended emergency room services and inpatient hospital services as targets for increased copays.

Ms. Greifer pointed out that, if the standard plan designs are to help the most people, reducing the costs associated with generic and preferred brand drugs should be the focus as opposed to high-cost specialty drugs.

Next, Ms. Fabian-Marks discussed the changes to the silver plan. Since the last meeting, the plan's deductible has risen by \$500, and the copays for specialist visits and laboratory services both increased. The copays for speech therapy and occupational and physical therapy decreased and are now set at the same amount as a primary care visit. She described the main challenge being the CSR73 plan, as it is very close to the top of the allowed AV range.

Ms. Mangiaracino asked that the copays for outpatient services be lower than those for inpatient and ED services and noted that the copays on laboratory and X-ray services seemed high. She recommended that the bronze and silver plans be made more distinct from one another, as they now share many identical benefits. Finally, she proposed increasing the difference in copays between preferred and non-preferred brand drugs.

Mr. Stewart asked whether the plan was designed in such a way that enrollees who do not qualify for the CSR87 or CSR94 versions would be steered to a competitively priced gold plan with richer benefits. Ms. Fabian-Marks replied that such steering was not intentional and that the focus of the benefit design was on making the CSR87 and CSR94 versions more attractive than gold plans for those who qualify. Mr. Boban agreed that it was not a conscious design decision and affirmed that the gold plan is better than the silver plan's base and CSR73 versions. Mr. Stewart noted the very small percentage of enrollees in the base and CSR73 silver plans currently available and expressed support for the steering effect toward gold plans.

Ms. Fabian-Marks acknowledged Ms. Mangiaracino's proposal to increase the difference in copays between preferred and non-preferred brand drugs, agreeing to look

further into the matter. Mr. Boban agreed and added that widening the gap between the two copays should be by lowering the preferred rather than raising the non-preferred copay.

Mr. Boban then noted that both Kaiser Permanente and CareFirst offer the same plans both on- and off-exchange and that off-exchange silver plans might be impacted by the design of the standard plan. He added that carriers are not required to offer mirror plans in both markets, but two of them have chosen to do so. Ms. Volk asked how enhanced subsidies on-exchange affect off-exchange plans. Mr. Boban replied that the on-exchange silver plans have slightly richer benefits and much higher premium than off-exchange silver plans, due to “silver loading,” the practice of offering the CSR73, CSR87, and CSR94 versions.

Next, Ms. Fabian-Marks shared details of the bronze plans. She noted that, while at the previous meeting they discussed only one bronze plan, the team has developed two bronze options for consideration today. In both options, many copays have been lowered since the last meeting. In option 1, the copay for labs has increased while all other copays have reduced or stayed the same. In option 2, labs were removed from pre-deductible coverage entirely while all other copays have been reduced significantly. She noted that copays for some services are lower than in silver plans, an unfortunate side effect of incorporating the Workgroup’s feedback into the plan designs.

Mr. Stewart asked to see an analysis of plan selection by income and age, noting that he suspects certain age groups and income brackets are negatively affected. He expressed a preference for option 1, stating that it was most likely to be useful to young, healthy individuals, who are the typical purchasers of bronze plans.

Ms. Solomon also supported option 1, since it seemed a good fit for both self-employed people who do not qualify for subsidies and for people transitioning from Medicaid coverage who are not accustomed to paying high premiums. She added that, even with a high copay, the security of being able to see a specialist in option 1 is important.

Ms. Mangiaracino supported option 1, with the caveat that the misalignment with silver plans is troubling. She noted that “silver loading” may not continue indefinitely and asked that the standard plan structures for all metal levels be designed for a future without it.

Ms. Volk asked whether further details are available on age and income as requested by Mr. Stewart. Ms. Fabian-Marks replied that she will investigate the question. Mr. Boban added that CMS releases risk adjustment reports that provide some of the information about age, noting that bronze used to have the youngest cohort whereas now the average age of bronze and gold enrollees is roughly equal. The oldest average age is among silver enrollees. He pointed out that, despite the same average age, gold enrollees are much sicker than bronze enrollees, with double or more the claims cost.

Ms. Volk expressed her preference for option 1. Ms. Fabian-Marks noted that everyone who has thus far stated a preference has chosen option 1 and that MHBE will not proceed with further developing option 2.

Limiting Plans per Metal Level

Ms. Fabian-Marks presented a modified 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. She noted that the Workgroup previously expressed concern about implementing this change alongside the standard plans. For that reason, the new proposal would begin in plan year 2025 and would limit carriers to three plans per metal level. Ms. Volk and Ms. Klapper expressed support for this approach.

Next Steps

Ms. Fabian-Marks concluded the discussion with a listing of next steps in plan design, including developing suggested copays for other covered services that are not part of the AV calculator, such as urgent care as well as incorporating reduced or eliminated cost sharing for diabetes management. She echoed Mr. Stewart's statement from the beginning of the meeting that the Workgroup will need additional time to evaluate the plan designs before its final vote. As such, more meetings may be required.

Public Comment

None offered.

Adjournment

The meeting adjourned.