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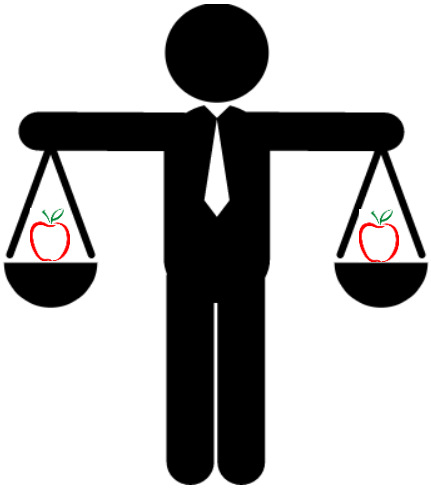

Report to the Maryland Health Benefit Exchange Board of Trustees

RECOMMENDATIONS FOR STANDARDIZED BENEFIT DESIGN

Prepared by: John-Pierre Cardenas & Kimberly Edwards

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Recommendations of the Standardized Benefit Design Work Group to the Maryland Health Benefit Exchange Board of Trustees

Introduction

In 2018, the MHBE Board of Trustees directed MHBE to assemble a work group to develop policy recommendations on standardized benefit designs. Specifically, *MHBE will create a workgroup to help determine the scope of the standard, whether it be mandatory or optional, develop draft plans, and provide additional insight*[1].

The 2017 Standardized Benefit Design Work Group Report details the business of the work group over the eight sessions held from March 2017 to November 2017. Further, the report contains important documents and attachments in the appendices section.

Background

Under the Affordable Care Act and federal rule, Marketplaces are obligated to improve informed consumer choice and develop plan certification standards that result in access to qualified health plans that are in the interest of the consumer. Numerous State-Based Marketplaces (SBM) have developed standardized benefit designs to meet these priorities. Standardized benefit designs, or standard plans, set the cost-sharing of health care services across standard plans offered by participating issuers. Each SBM has its own approach to development of its standard plans from the degree to which plans are standardized, to whether standardized plans should be compulsory or optional.

Standardized benefit designs allow consumers to consider other important factors (i.e., provider networks, premium, and quality) when making enrollment decisions.

Executive Summary

From the outset, the business of the 2017 Standardized Benefit Design Work Group (hereafter *the work group*) was conducted in an inclusive and representative manner. The work group's membership included representation from diverse stakeholder groups including issuers, consumer advocates, producers, and government agencies. The business of the work group was supported by MHBE Plan Management through the provision of:

1. A work plan to track the goals of the work group across each session;
2. Policy options and subject matter expertise (with dedicated resources from the Maryland Insurance Administration);
3. Structured conversation guidance.

Work group members provided invaluable insights to the business of the work group. Stakeholders' unique perspectives resulted in an inclusive and informed set of recommendations. MHBE thanks the

[1] Final 2018 Letter to Issuers Seeking to Participate on Maryland Health Connection.

work group members for their time and support in meeting the goals established under the work group charter.

The work group was co-chaired by Pia Sterling of Kaiser Permanente and Alvin Helfenbein of Helfenbein Insurance Agency, Inc. After ratification of the work group charter (Appendix A), the work group sought to meet the following responsibilities:

1. Provide policy recommendations to the Board of Trustees as charged in the 2018 Final Letter to Issuers;
2. Serve as a forum to weigh policy options on requiring issuers to offer standardized benefit designs;
3. Provide a report with a set of recommendations that can be included in the 2019 Plan Certification Standards.

Over the eight sessions the work group engaged in discourse on a full span of issues germane to the offering of standard plans. The specific policy topics included:

- Requirement for issuers to offer standard plans;
- Whether standard plans should be offered in both the SHOP and Individual Marketplaces;
- Whether standard plans should be offered at different metal levels;
- The degree of standardization with the standard plans;
- The benefit categories included in standardization;
- The benefit categories excluded from standardization;
- The philosophical goals determining the cost-sharing/incentives for each standard plan;
- Whether established plan offerings rules should be amended;
- Information and interfacing for consumers to understand the standard plans.

The work group had broad consensus on a number of these policy topics. Each recommendation and vote record are detailed in *Appendix E. Recommendation Table*.

Discussion Summary

March 30, 2017, the work group reviewed its charter; what the agenda for each meeting would be; the group's mission and scope; and selected co-chairs.

April 27, 2017, the work group received a policy overview of Maryland's Marketplace, and policies from other states' marketplaces. Whether to make standardized benefit designs (SBDs) mandatory was discussed. Whether to offer SBD plans in both the Individual and SHOP marketplaces was discussed. Members discussed whether standardized plan availability across a subset of each metal level was appropriate.

Elizabeth Sammis, from Consumer Health First and Kimberly S. Cammarata, from Office of Attorney General advocated that standardized health plans should be mandatory as it would be more meaningful and help inform consumer choice. Robert Metz from CareFirst argued against mandatory standardized health plans, and indicated that the policy and market are unstable currently, and standardized plans would add uncertainty and administrative burden to issuers. The work group agreed to vote on whether to recommend to the Board that SBD should be required at a later time.

John Fleig, from United Healthcare stated that most employers obtain health insurance through brokers and the Exchange is only a small portion of the small business insurance market. Robert Metz from CareFirst also agreed that standardized SHOP plans would not add value to consumer selection.

The work group discussed standardized plans across a subset of each metal level. Members discussed that as only one carrier is currently offering platinum plans in the Marketplace and the market share for platinum plan is low. It wouldn't add much value to design platinum plans and would burden the issuers with administrative costs. Members voted on whether to design a standard bronze, gold and silver plan. The work group did not meet again until June 15, ^{2017}.

June 15, 2017, the work group reviewed Plan Management policy in Maryland from 2014 onward. Other state marketplace rules were reviewed. The work group reached consensus that the Qualified Health Plan (QHP) offering standards should not be changed. The work group discussed whether to standardize plans only for in-network cost sharing; whether to use the Summary of Benefits and Coverage (SBC) as the basis for benefits included in standardized plans; and whether issuers may add non-standard benefits to their plans. Due to the upcoming July 4, 2017 holiday, and other commitments, the work group met twice in the month of June.

June 29, 2017, the work group discussed the potential issues with standardizing plans and reviewed membership policy and goals. The work group voted to standardize only for in-network cost sharing type plans. The work group also voted to use the Summary of Benefits and Coverage (SBCs) as the basis for the benefit categories included in standardization.

July 27, 2017, the work group determined that due to the withdrawal of two work group members, an application period would be opened from July 12th through 19th. The work group voted unanimously that cost-sharing and benefits should only be standardized for in-network services.

The work group discussed the pros and cons of utilizing the Summary of Benefits and Coverage document as the basis for benefit categories included in standardization. The consensus was that several areas could be troublesome for standardization. The work group agreed that having a disclaimer for the standard plans that explained that certain specific benefits are not included in the SBCs would help.

Discussion was had on developing language to carve out existing non-standard benefits or developing a process through which benefits that have a de minimum impact on premium be carved out from standardization. The work group determined that a vote on this topic be delayed.

MHBE presented the enrollment-weighted proposed Maryland specific plan compared against popular QHPs.

August 24, 2017, the work group agreed on a philosophy that plans should reflect the following priorities:

1. Unless a High Deductible Health Plan (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.

Kathryn Hoffman of the Maryland Insurance Administration (MIA) agreed to look up whether including different cost sharing for the pediatric and adult hearing aid benefits would be considered unfairly discriminatory.

A motion was made to offer non-Essential Health Benefits (EHBs) in the standard plans. MHBE's motion language on the offering of non-EHB benefits in the standard plans was finalized and approved by the work group.

October 26, 2017, the work group reviewed and discussed feedback from the MIA. It was explained that pediatric dental cannot be required if there is a Stand Alone Dental Plan (SADP) on the Exchange. Additionally, due to the discriminatory rules for developing cost sharing, hearing aids for children under 18 cannot have different cost sharing than hearing aids for adults.

The work group acknowledged that to date the fundamental structure of a standardized plan is what has been agreed on; however, the cost share factors still have to be worked through once the new federal calculator is available.

The work group revised the disclaimer language that consumers will see when seeking to enroll in a Standard QHP. Work group members were given an opportunity to take the language back to their organizations and provide comment by November 9, 2017.

The work group voted unanimously on the naming convention for the standard plans: Option 2: mirror DC Health Link – (Network Name) Standard (Metal Level) (Proprietary Convention) ex. KP MD Standard Silver 3500/30/Dental

November 9, 2017, the work group reviewed the decisions that had been made over the course of the work group's inception. A motion was made to approve the disclaimer language for consumers seeking to enroll in a standard QHP, with the noted changes. The work group voted on whether it should be an issuer requirement to offer standardized plans. Matthew Siegler, a representative from Kaiser, stated Kaiser's willingness to provide information about the impact of a standardized plan in other markets, and that he believed there was no indication this resulted in fewer carrier choices for consumers. The work group discussed and voted on what metal level to offer benefit designs at Bronze HDHP, Bronze, Silver, and Gold. The work group discussed trigger options for whether standardized benefit design rules should apply to all carriers. The work group did not vote on the proposed trigger options but acknowledge the MHE Board's existing waiver authority.

Narrative Recommendations

This section details each of the recommendations reached by the work group. Instance where there has not been consensus have been indicated through the addition of "yea" and "nay" vote counting.

- The work group members reached a consensus, determining that there would be no value-add to the SHOP Marketplace if a standardized plan offering were required.
- Further it was voted that offering a standardized plan on the Individual marketplace would have value add to consumers.
- Members reached consensus (one abstention) that there would be no value-add to offering a platinum standardized benefit design.
- Members voted (4 yeas, 1 nay, and 1 abstentions) to continue to design a standard gold plan.
- Members voted (4 yeas, 1 nay, and 1 abstention) that offering a standard silver plan would add value to the consumer shopping experience on Maryland Health Connection.
- Members voted (4 yeas, 1 nay, and 1 abstention) to continue to design a standard bronze plan.
- The work group members reached a consensus that the QHP rules in place would remain the same, which is a maximum of four plans per metal level, and a minimum of one QHP per bronze, silver, and gold.
- The work group voted to unanimously use the Summary of Benefits and Coverage (SBCs) as the basis for the benefit categories included in standardization, and to standardize only in-network cost sharing type plans. The work group decided to delay a vote until a future meeting on issuers' ability to add non-standard benefits to their offerings.
- There was a motion made to offer non-Essential Health Benefits in the standard plans, and this motion was passed unanimously.
- Benefits that are currently offered by issuers, as of plan year 2018, that are categorized as non-essential health benefits and are not state mandated benefits, for example, adult vision and adult dental services, should not be subject to standardization in the development standardized benefit design. These non-standard benefits may continue to be offered for future plan years.
- Issuers may offer additional non-standard benefits if such benefits have a de minimus (no more than 1%) impact on the EHB% of premium from the United Rate Review Template. In such instances where offered non-standard benefits exceed the de minimus allowance issuers may petition MHBE to exempt the benefit from standardization.
- The naming convention for standardized plans was voted on, and the work group unanimously voted for a name that mirrors DC Health Link – (Network Name) Standard (Metal Level) (Proprietary Convention) ex: KP MD Standard Silver 3500/30/Dental
- The Disclaimer on the 2019 Standard Plan Design language was unanimously accepted after amendments were made.
- The work group members voted on whether to require issuers to offer standardized plans. See *Table 1* below.

- The work group voted unanimously to offer one plan at three of the four metal levels, and for the Bronze plan to be an HDHP plan.
- The work group voted to acknowledge MHBE's Board's existing waiver authority for new market entrants as it currently exist. Kaiser Permanente opposed the use of the MHBE's waiver authority with respect to standardized benefit design.

Table 1. Vote on the requirement to offer standard plans.

Member	Organization	Disposition
Alvin Helfenbein	Helfenbein Insurance	No, but if we are only comparing cost sharing he is in favor of it.
Robert Metz	CareFirst	No, it will add to consumer's confusion and there is too much market uncertainty.
Kathryn Hoffman	MIA	MIA is opposed due to uncertainty in the market, and the potential barrier for new market entrants. The MIA disagrees with Ms. Sammis and that she is incorrect that requiring the standardized plan wold not have an impact on carriers that want to enter the market.
Elizabeth Sammis	Consumer Health First	Yes, having a standardized option is a good idea to assist consumers, and it makes the market more competitive. This would be a step forward with making the market better. It is my belief that the requirement would not have an impact on carriers coming into the market.
Matt Celentano	MD Health Care for All	Yes
Kimberly Cammarata	HEAU	Yes, the clarity that would be achieved by having a standardized plan would provide a benefit to consumers.
Pia Sterling	Kaiser Permanente	Yes, sees it as a benefit for consumers.
Robyn Elliot	Public Policy Partners	Yes
Chris Keen	Keen Insurance	No

Conclusion

MHBE supplements this report with all of the materials presented to the SBDWG. Further, MHBE includes all of the minutes from each of the sessions. MHBE thanks the members of the work group for their time, expertise, and advocacy. MHBE also extends appreciation to the Maryland Insurance Administration for providing resources to support the business of the work group.

MHBE welcomes feedback. Questions and comments may be directed to the MHBE public comments mailbox: mhbe.publiccomments@maryland.gov.

APPENDIX A. Standardized Benefit Design Work Group Application

Standardized Benefit Design Work Group Member Application

MHBE

[Select Date]

Personal information

Name:

Title:

Organization:

Business Address:

Email Address:

Office Phone:

Additional information

If there are staff that could benefit from participating in the work group please provide their information below:

Name:

Title:

Email Address:

Phone Number:

Statement of intent to participate on the Standardized Benefit Design Work Group.

APPENDIX B. Standardized Benefit Design Work Group Charter

2017 Standardized Benefit Design Workgroup Charter

WORKGROUP RESPONSIBILITIES

The 2017 Standardized Benefit Design Workgroup (Workgroup) will work to provide policy recommendations to the Maryland Health Benefit Exchange (MHBE) Board of Trustees as charged in the 2018 Final Letter to Issuers Participating on Maryland Health Connection. The Workgroup will serve as a forum to weigh policy options on MHBE requiring issuers to offer standardized benefit designs.

The Workgroup will provide a report with a set of recommendations to be provided to the MHBE Board of Trustees to be included in the 2019 Plan Certification Standards.

WORKGROUP MEETINGS

The below sections contains information relevant to the business of the Workgroup meetings. All meetings of the Workgroup are open to the public.

Location, Time, and Notice Generally, the Workgroup will meet on the last Thursday of each month from March to October of 2017. The sessions will last from 2:00 PM to 4:00 PM and will be held at:

Maryland Health Benefit Exchange | 750 East Pratt St Baltimore, MD 21202

Reasonable notice of all meetings, stating the time and place, shall be given to each Member by mail or electronic mail. Reasonable notice of all meetings shall be provided to the public by posting on the MHBE website.

http://www.marylandhbe.com/policy-legislation/committees/standardized-benefit-design-work-group/

Order of Business Generally, the agenda/order of business at meetings of the Workgroup shall be as follows:

(a) Calling the meeting to order
(b) Consideration and approval of minutes of previous Workgroup meeting
(c) Consideration of the topic/questions presented before the Workgroup
(d) Determination of recommendations from the general Workgroup body – including identification of consensus recommendations
(e) Public comments
(f) Adjournment

Quorum A simple majority of the Members shall constitute a quorum at any meeting for the conduct of the business of the Workgroup.

Participation in Meetings Members are strongly encouraged to attend Workgroup meetings in-person, but teleconference will be made available. Members participating by such means shall count for quorum purposes, and their support for recommendations shall be included so long as their participation is included in attendance.

Support of Policy Recommendations Members are entitled to voice support for multiple policy recommendations for a given topic presented to the Workgroup. Support for each policy recommendation will be included in the meeting minutes at the member level.

CO-CHAIRS

The members of the Workgroup shall elect two Co-chairs. Elected Co-chairs' terms shall last for the duration of the Workgroup. In addition to presiding at meetings, Co-chairs shall take an active role in determining the policy recommendations from the general body, preside over support counting for each policy recommendation, and shall work with MHMBE to determine actions items required of MHBE support resources.

MEMBERSHIP & MEMBER RESPONSIBILITIES

The Workgroup consists of representatives from authorized QHP Issuers, consumer/policy advocates, state government representatives, and insurance industry professionals. Members are expected to lend their expertise, in good faith, to meet the goals of the Workgroup.

MHBE Plan Management and Policy departments will make their resources available to provide technical/administrative assistance to the Workgroup.

FINAL WORKGROUP REPORT

The Workgroup will develop a report detailing the business of the Workgroup, including policy recommendations to be evaluated by the MHBE Board of Trustees.

APPENDIX C. Standardized Benefit Design Work Group Membership

750 EAST PRATT STREET, 16TH FLOOR
BALTIMORE, MD 21202
marylandhbe.com

MARYLAND HEALTH BENEFIT EXCHANGE

2017 Standardized Benefit Design Workgroup Membership

Member	Title	Organization
Alvin Helfenbein Jr*	President	Helfenbein Insurance Agency Inc
Chris Keen	President	Keen Insurance Associates
Elizabeth Sammis, Ph.D.	Board Member	Consumer Health First
Matt Celentano	Deputy Director	MD Citizens' Health Initiative
Marsha Stuyvesant	Manager, Product Design	Aetna
Kimberly S. Cammarata	Assistant Attorney General	Office of the Attorney General, Health Education and Advocacy Unit
Leslie Gordon	Business Manager	CIGNA
Pia Sterling*	Product Manager	Kaiser Permanente
Robert Metz	Lead Legislative, Regulatory, Policy, and Compliance Consultant	CareFirst BlueCross BlueShield
Robyn Elliott	Partner, Public Policy Partners	Representing Maryland Nurses Association, The Maryland Affiliate of the American College of Nurse Midwives, the Maryland Occupational Therapy Association, the Licensed Clinical Professional Counselors of Maryland, Maryland Dental Action Coalition, Planned Parenthood of Maryland and the Maryland Assembly on School-Based Health Care

*serves as a Co-Chair of the workgroup

APPENDIX D. Standardized Benefit Design Work Group Attendance

Individuals Present	**3/30/2017**	**4/27/2017**	**6/15/2017**	**6/29/2017**	**7/27/2017**	**8/24/2017**	**10/26/2017**	**11/9/2017**
Alvin Helfenbein	√	√		√	√	√	√	√
Chris Keen	√		√	√		√		√
Elizabeth Sammis	√	√	√	√	√	√	√	√
Kimberly Cammarata	√	√	√		√	√	√	√
Pia Sterling	√	√	√	√	√	√	√	√
Robert Metz	√	√	√	√	√	√	√	√
Robyn Elliott				√	√	√	√	√
Kathryn Hoffman			√	√	√	√	√	√
Matthew Celentano	not yet a participating work group member					√		√
John Fleig	√	√	no longer a participating work group member					

APPENDIX E. Recommendation Table

Topic	Language of Decision	Vote Count
Offering SBD plan in SHOP	There would be no value-add to the SHOP Marketplace if a standardized plan offering were required.	Consensus vote
Offering SBD plans in Individual Market	Offering a standardized plan on the Individual marketplace would have value add to consumers.	3 yeas, 1 nay, 2 abstentions
Should platinum plans be standardized	It wouldn't add much value to design platinum plans and would burden the issuers with administrative costs.	Consensus vote (one abstention)
Should a standard gold plan be designed	Design a standard gold plan.	4 yeas, 1 nay, and 1 abstention
Should a standard silver plan be designed	Offering a standard silver plan would add value to the consumer shopping experience on Maryland Health Connection.	4 yeas, 1 nay, and 1 abstention
Should a standard bronze plan be designed	Continue to design a standard bronze plan.	4 yeas, 1 nay, and 1 abstention
Should existing QHP standards be applied to Standardized Plans	QHP offering standards should not be changed for Standardized Plans. The existing standard is (a minimum of 1 QHP at the bronze, silver, and gold metal levels, and a maximum of up to four QHPs per metal level).	Consensus vote
Using SBCs as the basis for the benefit categories in SBD	Use the Summary of Benefits and Coverage (SBCs) as the basis for the benefit categories included in standardization.	Consensus vote
Standardizing in-network cost sharing type plans.	Standardize only in-network cost sharing type plans.	Consensus vote
Should non-Essential Health Benefits be included in the standard plans	Issuers may offer additional non-standard benefits if such benefits have a de minimus (no more than 1%) impact on the EHB% of premium from the United Rate Review Template	Consensus vote

Topic	Language of Decision	Vote Count
Language on the offering of non-EHB benefits in the standard plans.	MHBE motion language was finalized and approved by the work group.	Consensus vote
What naming convention will standardized plans use	A name that mirrors DC Health Link – (Network Name) Standard (Metal Level) (Proprietary Convention) ex: KP MD Standard Silver 3500/30/Dental	Consensus vote
Disclaimer language for 2019 Standard Plan Design	A motion was made to approve the disclaimer language with the noted changes.	Consensus vote
Should issuers be a required to offer standardized plans	A motion was made to require carriers to offer standardized plans.	5 yeas, 3 nays
What metal level to offer standardized benefit designs at.	A motion was made to offer one plan at each metal level, and for the Bronze to be an HDHP	Consensus vote
Should trigger options for the requirement to offer standardized plans be in place for new market entrants.	The work group voted to support the Boards existing waiver authority to include the handling of new market entrants.	Consensus vote

APPENDIX. F. MHBE motion language on non-EHB benefits in the standard plan

MHBE Motion on the offering of non-EHB benefits in the standard plans:

Benefits that are currently offered by issuers, as of plan year 2018, that are categorized as non-essential health benefits and are not state mandated benefits (hereafter "nonstandard benefits"), for example, adult vision and adult dental services, should not be subject to standardization in the developed standardized benefit design. These non-standard benefits may continue to be offered for future plan years.

Issuers may offer additional non-standard benefits if such benefits have a de minimus (no more than 1%) impact on the EHB% of premium from the Unified Rate Review Template.

APPENDIX G. MHBE Disclaimer for Standard Benefit Designs

MHBE Disclaimer on the 2019 Standard Plan Design

The Maryland Health Connection Standard Plans were designed to help consumers compare, apples-to-apples, the health plans offered on Maryland Health Connection. Out-of-pocket costs of most health care services have been standardized, which means you will be able to decide the health plan that is best for you by comparing other important health plan features like provider networks, quality, and premium.

The out-of-pocket costs that you see for each health care service are the lowest costs that you would pay. Your cost might increase if you use health care services at more expensive facility settings. For example, visiting a specialist to treat an illness at their office is less expensive than visiting a specialist's office in a hospital setting.

[+]For more information…

There are several important things to consider. While the out-of-pocket costs of most health care services have been standardized, there will be some differences between health plans of what specific services are included in each service category. For more information on which benefit categories are standardized, click ¬here.

If you are consumer with unique health needs and require specific services check the health plan's contract (click here for more information) for the exact services that are included in each service category.

Click here for additional, important reminders for 2019.

[+] Birth-control:
While most contraceptive drugs or devices (or birth-control) are covered by health plans at no cost to you, some exceptions apply. You may have to pay out-of-pocket for specific birth-control if an alternative is covered by your health plan at no cost, or if you get your birth-control is from an out-of-network doctor or pharmacy. If you require specific birth-control drugs, check the health plan's formulary (click on Prescription Drug Search while you shop). If you require specific birth-control devices, check the health plan's contract (click here for more information) or call the health plan.

[+] Pre-natal and Post-natal care:
Preventive pre-natal and post-natal care is covered at no cost to you. You may pay out-of-pocket costs for non-preventive pre-natal and post-natal care.

[+] Home health care and home visits for mothers and newborns:
While home visits for mothers and newborns following childbirth are covered at no cost to you, some exceptions apply. If you are enrolled in a H.S.A. Qualified health plan you will have to pay for services until you reach the deductible.

APPENDIX H. SAMPLE Maryland Health Connection Standard Plan 2019

Maryland Health Connection Standardi