
Prescription Drug Max Out of Pocket Proposal

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Agency of Administration

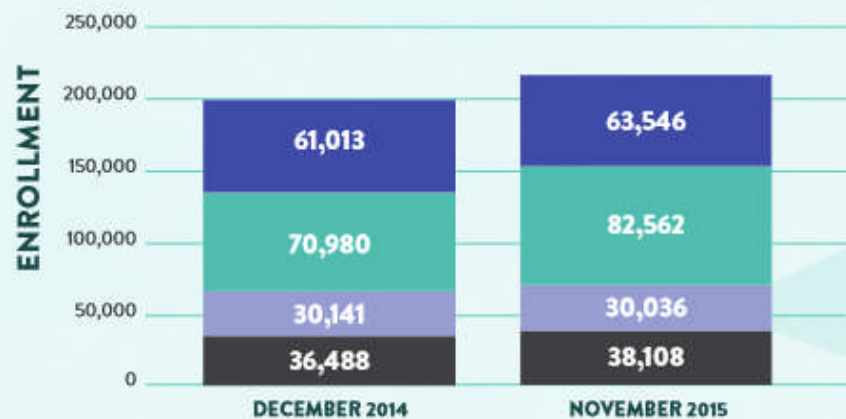
April 1, 2016

Bronze Plan in the Individual Market

VERMONT HEALTH CONNECT NOVEMBER 2015 DASHBOARD

COVERED VERMONTERS

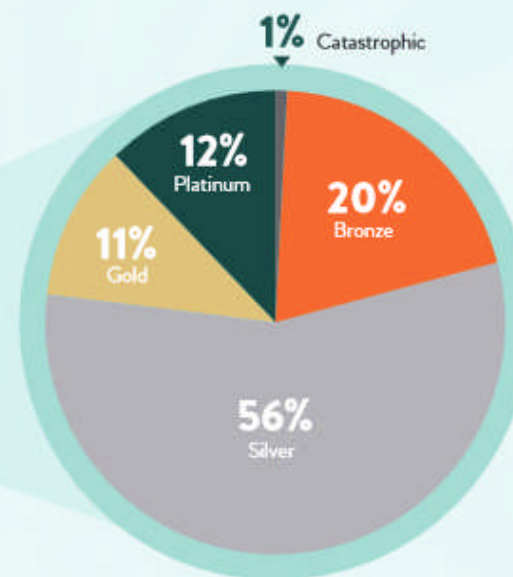
INDIVIDUALS ENROLLED IN QUALIFIED HEALTH PLANS (QHP) OR MEDICAID FOR CHILDREN AND ADULTS (MCA)



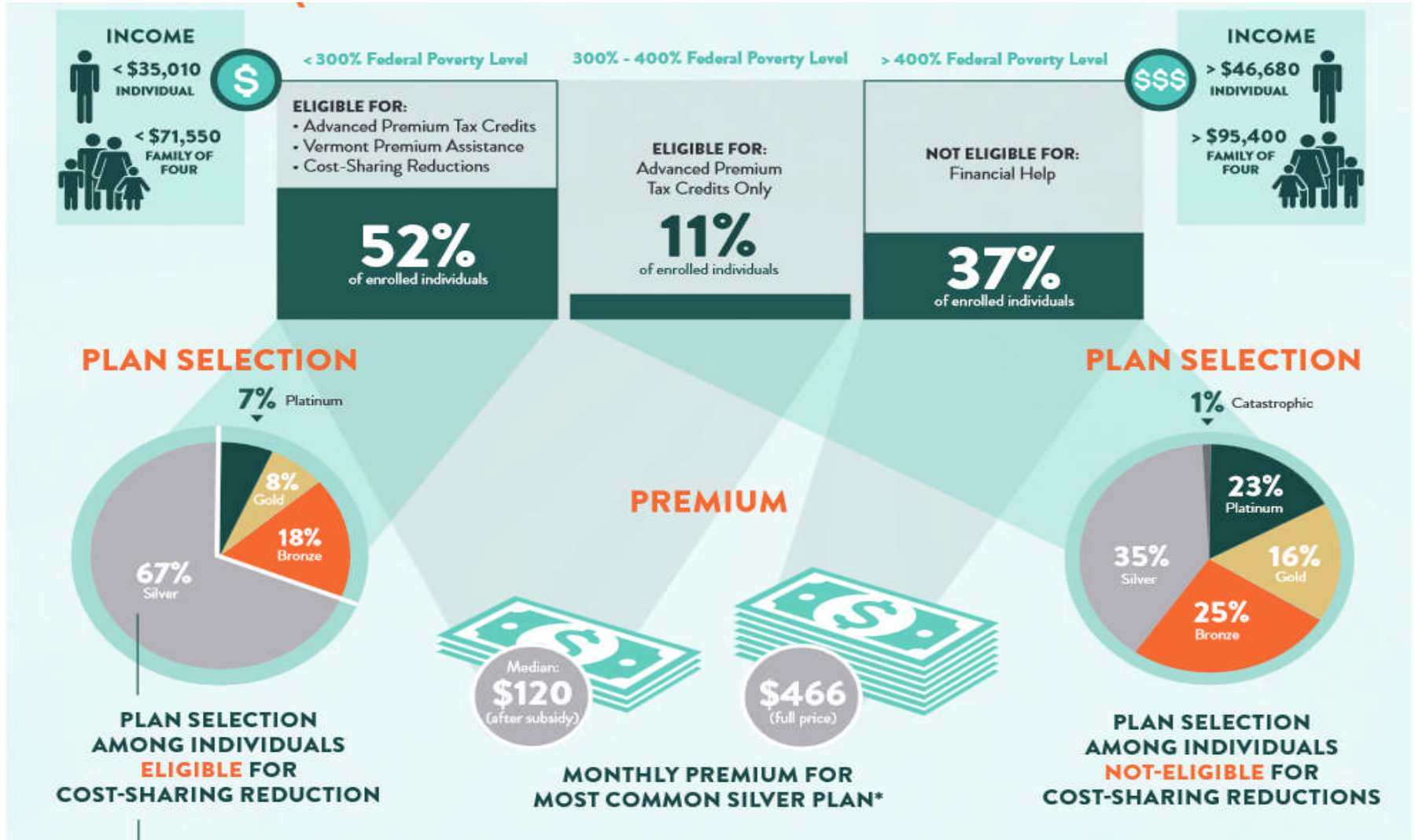
● QHP - Small Business ● QHP - Individual ● MCA - Adult ● MCA - Child

Note: Effectuated enrollments for Small Business QHP (direct enrolled) as reported by insurers to VHC. Dec. 2014 Individual QHP as reported by insurers to Center for Medicaid and Medicare Services (CMS). November 2015 Individual QHP as reported by insurers to VHC. Medicaid for Children and Adults (MCA) as reported by Vermont Health Connect and Vermont's legacy ACCESS system. MCA includes Dr. Dynasaur and CHIP but does not include Medicaid for the Aged, Blind, and Disabled (MABD).

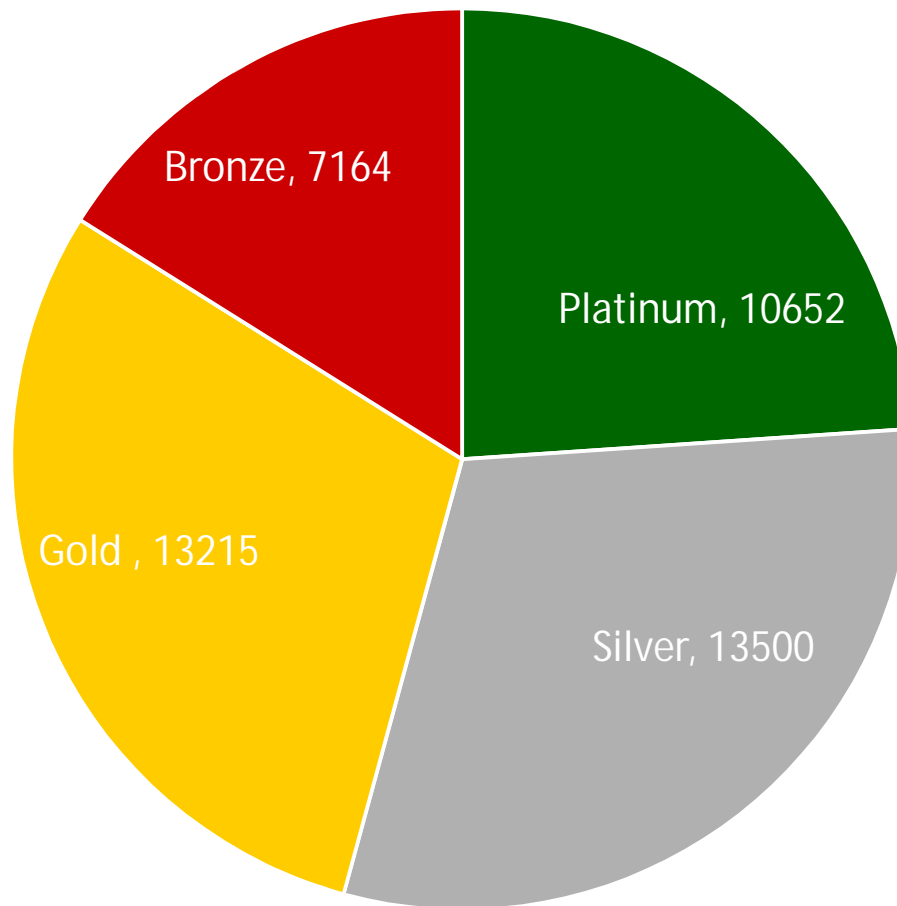
QHP INDIVIDUAL COVERAGE BY METAL LEVEL



Bronze Plan in the Individual Market

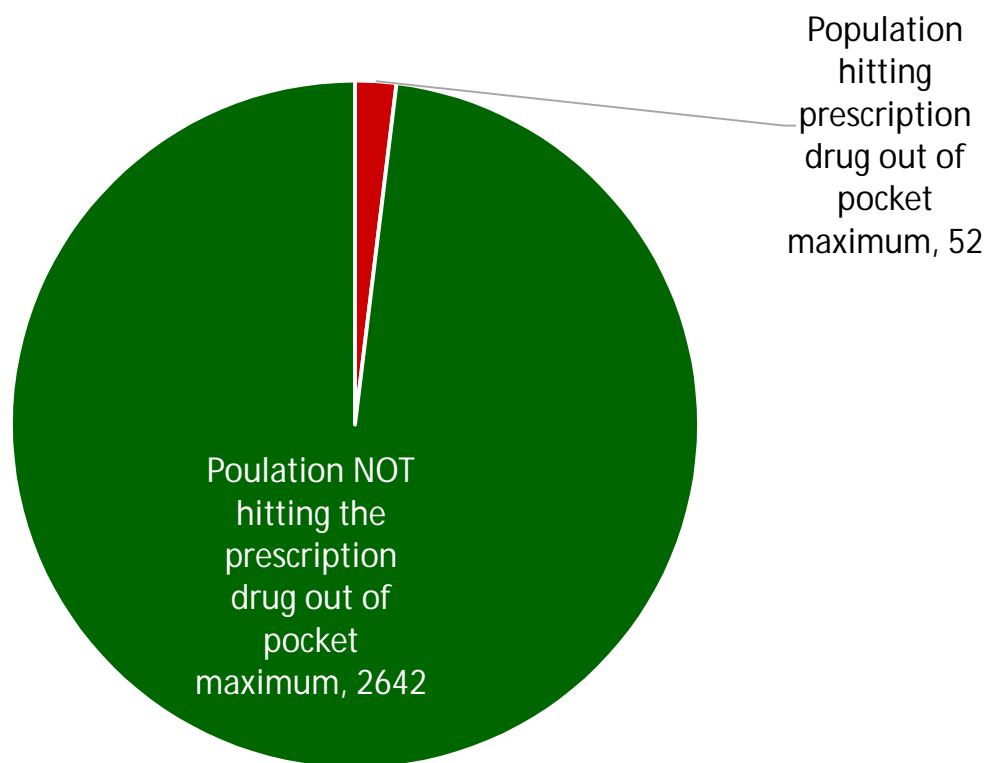


Metal Level Plans in Small Group Market



Effect of Rx Maximum Out of Pocket

- Of 2,642 BCBSVT non-standard bronze contracts purchased in 2015, reached the prescription out of pocket maximum, or 1.9%



QHP Standard Plan Stakeholder Process

Vermont Health Connect

All VT Carriers: BCBSVT, MVP, NEDD

M.E.A.B. Representatives

Vermont Office of Healthcare Advocate

Department of Financial Regulation Staff

Green Mountain Care Board Staff

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- Group met monthly from May 2015 – January 2016
 - Prolonged opportunity for input leading to final QHP proposal with broad-based support
 - Two M.E.A.B. presentations: October, 2015, January 2016

2017 Bronze Plans

Deductible/OOP Max	Bronze Deductible Plan Options		
	2016 Plan Design	2017 Recommendation	2017 Alternative
Type of Plan	Deductible	Deductible	Deductible
Medical Ded	\$4,000	\$4,600	\$5,200
Rx Ded	\$500	\$700	\$1,000
Integrated Ded	No	No	No
Medical OOPM	\$6,850	\$7,150	\$7,150
Rx OOPM	\$1,250	\$1,300	\$1,300
Integrated OOPM	Rx -No, Medical - Yes	Rx -No, Medical - Yes	Rx -No, Medical - Yes
Family Deductible / OOP	Stacked, 2x Individual	Stacked, 2x Individual	Stacked, 2x Individual
Medical Deductible waived for:	Preventive	Preventive	Preventive
Drug Deductible waived for:	Applies to all scripts	Applies to all scripts	Applies to all scripts
Service Category	Copay / Coinsurance	Copay / Coinsurance	Copay / Coinsurance
Inpatient ¹	50%	50%	50%
Outpatient ²	50%	50%	50%
ER ³	50%	50%	50%
Radiology (MRI, CT, PET)	50%	50%	50%
Preventive	\$0	\$0	\$0
PCP Office Visit	\$35	\$35	\$35 first visit, then subject to deductible
MH/SA Office Visit	\$35	\$35	\$35 first visit, then subject to deductible
Specialist Office Visit ⁴	\$85	\$90	\$95
Urgent Care	\$100	\$100	\$100
Rx Generic	\$20	\$20	\$20
Rx Preferred Brand	\$80	\$85	\$95
Rx Non-Preferred Brand	60%	60%	60%
Rx Specialty	N/A	N/A	N/A
Actuarial Value			
2016 Federal AVC, Adjusted if Necessary	61.4%	N/A	N/A
2017 Draft Federal AVC, Adjusted if Necessary	62.7%	61.3%	61.4%
Approximate Premium Impact Based on change in AV from Federal AVC	N/A	-0.1%	0.0%
Approximate Premium Impact Based on Wakely Benefit Model	N/A	-0.4%	-1.5%

4/1/2016

2017 Bronze Plans

Deductible/OOP Max	Bronze HDHP Embedded MOOP Plan Options		
	2016 Plan Design	2017 Recommendation	2017 Alternative
Type of Plan	HSA Q/HDHP	HSA Q/HDHP	HSA Q/HDHP
Medical Ded	\$4,100	\$5,000	\$4,400
Rx Ded	\$1,300	\$1,300	\$1,300
Integrated Ded	Yes	Yes	Yes
Medical OOPM	\$6,500	\$6,600	\$6,600
Rx OOPM	\$1,300	\$1,300	\$1,300
Integrated OOPM	Rx -No, Medical - Yes	Rx -No, Medical - Yes	Rx -No, Medical - Yes
Family Deductible / OOP	Aggregate with Combined Medical/Rx embedded \$6,850 Single MOOP; 2x Individual	Aggregate with Combined Medical/Rx embedded \$7,150 Single MOOP; 2x Individual	Aggregate with Combined Medical/Rx embedded \$7,150 Single MOOP; 2x Individual
Medical Deductible waived for:	Preventive	Preventive	Preventive
Drug Deductible waived for:	Wellness scripts	Wellness scripts	Wellness scripts
Service Category	Copay / Coinsurance	Copay / Coinsurance	Copay / Coinsurance
Inpatient ¹	50%	50%	50%
Outpatient ²	50%	50%	50%
ER ³	50%	50%	50%
Radiology (MRI, CT, PET)	50%	50%	50%
Preventive	\$0	\$0	\$0
PCP Office Visit	50%	50%	50%
MH/SA Office Visit	50%	50%	50%
Specialist Office Visit ⁴	50%	50%	50%
Urgent Care	50%	50%	50%
Rx Generic	\$12	\$12	\$12
Rx Preferred Brand	40%	40%	40%
Rx Non-Preferred Brand	60%	60%	60%
Rx Specialty	N/A	N/A	N/A
Actuarial Value			
2016 Federal AVC, Adjusted if Necessary	61.0%	N/A	N/A
2017 Draft Federal AVC, Adjusted if Necessary	62.3%	60.9%	61.6%
Approximate Premium Impact Based on change in AV from Federal AVC	N/A	-0.2%	1.0%
Approximate Premium Impact Based on Wakely Benefit Model	N/A	0.7% ⁸	1.2%

4/1/2016

Problem

- Out-of-pocket prescription drug coverage limit of \$1300 makes other parts of the bronze plans, such as co-insurance and co-pays less affordable for Vermonters.
- Given the federal requirements of an out-of-pocket maximum, the limit to out-of-pocket prescription drug coverage may prevent plans from reaching the statutorily required 60% AV level for bronze plans.
- As a result, insurers may not be able to offer as many or any bronze plans for 2018 OR federal law may supersede Vermont's current prescription drug out of pocket maximum

Proposed Solution

- This proposed language would provide a stakeholder process and public process overseen by the Green Mountain Care Board to develop bronze plans with lower co-pays, deductibles, and co-insurance, but a higher limit on out-of-pocket prescription drug coverage
- As long as it meets federal standards, there will be at least one standard bronze plan that will retain the limit on out-of-pocket prescription drug coverage for those Vermonters who need it