

Department of Vermont Health Access
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Report to the House Committee on Health Care and Senate Committees on Health and Welfare, and Finance:

Out of Pocket Prescription Drug Limit: 2018 Bronze Enrollment Trends Report

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Reporting Requirement:

This report is submitted to fulfill the requirement in Act 25 (2017), amending Act 165 (2016):

On or before February 1, 2018 [extended to March 1], the Department of Vermont Health Access shall report to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance: (1) enrollment trends in bronze-level qualified health plans offered on the Vermont Health Benefits Exchange; and (2) recommendations from the advisory group established pursuant to subsection (a) of this section regarding continuation of the out-of-pocket prescription drug limit established in 8 V.S.A. 4089i.

The report (1) provides background on bronze offerings, (2) summarizes bronze enrollment trends for 2018, and (3) conveys stakeholder recommendations regarding the prescription drug limit.

I. Background and Summary of Bronze Offerings

2018 Bronze Qualified Health Plan Options with Benefit and Premium Detail:

The Vermont Health Benefits Exchange is required to offer bronze-level qualified health plans (QHPs) for enrollment and has done so since its inception. Each of the existing bronze plans offered during plan years 2014-2017 continued into 2018. Beginning in the 2018 coverage year, there are two new bronze-level QHPs, as authorized by Act 165, that do not include the out of pocket prescription drug limit (Rx MOOP). These plans are offered by both QHP issuers, Blue Cross and Blue Shield of Vermont (BCBSVT) and MVP Healthcare (MVP), as shown in **bold** type within the table below. BCBSVT also altered its continuing non-standard bronze plan to remove the Rx MOOP and to make the plan HSA-compatible (also bolded in the table).

Issuer	Plan Name	Medical Deductible	Rx Deductible	Medical MOOP	Rx MOOP	Premium (Individual)
BCBSVT	Standard With Rx MOOP	\$5,000	\$900	\$7,350	\$1,300	\$488.26
	Standard No Rx MOOP (new in 2018)	\$7,350*	N/A	\$7,350*	N/A	\$499.22
	Standard HDHP With Rx MOOP	\$5,250	N/A	\$6,550	\$1,350	\$492.22
	Non-Standard HDHP Without Rx MOOP	\$6,650*	N/A	\$6,650	N/A	\$484.56
	Non-standard without Rx MOOP (new in 2018)	\$7,350*	N/A	\$7,350*	N/A	\$484.78

MVP	Standard With Rx MOOP	\$5,000	\$900	\$7,350	\$1,300	\$425.27
	Standard No Rx MOOP (new in 2018)	\$7,350*	N/A	\$7,350*	N/A	\$456.68
	Standard HDHP With Rx MOOP	\$5,250	N/A	\$6,550	\$1,350	\$429.17
	Non-Standard with Rx MOOP	\$6,000	\$350	\$7,350	\$1,300	\$425.35
	Non-Standard Without Rx MOOP (new in 2018)	\$7,350*	N/A	\$7,350*	N/A	\$422.10

*Integrated deductible and MOOP; no separate Rx MOOP

See additional detail at http://info.healthconnect.vermont.gov/sites/hcexchange/files/2018PCB_bronze_final.pdf

2018 Open Enrollment and Bronze Plan Renewal:

Act 165 required special handling of certain enrollees during 2018 renewal as follows:

For each individual enrolled in a bronze-level qualified health benefit plan for years 2016 and 2017 who had out-of-pocket prescription drug expenditures during the 2016 plan year that met the out-of-pocket prescription drug limit established in 8 V.S.A. 4089i, the health insurer shall, absent an alternative plan selection or plan cancellation by the individual, automatically reenroll the individual in a bronze-level health benefit plan for plan year 2018 with an out-of-pocket prescription drug limit at or below the limit established in 8 V.S.A. 4089i.

Because BCBSVT altered its continuing non-standard bronze plan to remove the Rx MOOP, enrollees in that plan who had met the Rx MOOP in 2016 or 2017 had to be re-enrolled in a separate plan. Fifteen households met these criteria according to an enrollment report from BCSBVT. BCBSVT outreached these customers and, absent an alternative plan selection or cancellation, they were renewed into the closest equivalent plan for 2018, the BCBSVT standard bronze-level HDHP plan with the Rx MOOP. No MVP enrollees were affected by this requirement during the 2018 renewal period.

II. Bronze Enrollment Trends

2017-2018 Bronze Plan Enrollment:

The following tables compare bronze plan enrollment between the 2017 and 2018 plan years. The rows distinguish the qualified health plans with and without the Rx MOOP.

Individual Market Bronze QHP Enrollment By Plan Type 2017-2018. (NOTE: figures reflect BCBSVT and MVP combined enrollment):

Plan	January 2017					January 2018				
	Standard Deductible	Standard HDHP	Non-Std. Deductible	Non-Std. HDHP	TOTAL	Standard Deductible	Standard HDHP	Non-Std. Deductible	Non-Std. HDHP	TOTAL
Bronze With Rx MOOP	2,549	2,151	460	1,329	6,489	2,427	1,853	735	N/A	5,015
Bronze W/out Rx MOOP	N/A	N/A	N/A	N/A	N/A	129	N/A	538	1,147	1,814
TOTAL:	2,549	2,151	460	1,329	6,489	2,556	1,853	1,273	1,147	6,829

Small Group Market Bronze QHP Enrollment By Plan Type 2017-2018 (NOTE: figures reflect BCBSVT and MVP combined):

	January 2017					January 2018				
	Standard Deductible	Standard HDHP	Non-Std. Deductible	Non-Std. HDHP	TOTAL	Standard Deductible	Standard HDHP	Non-Std. Deductible	Non-Std. HDHP	TOTAL
Bronze With Rx MOOP	2,087	3,268	214	1,394	6,963	2,033	3,372	229	0	5,634
Bronze Without Rx MOOP (New in 2018)	N/A	N/A	N/A	N/A	N/A	84	N/A	499	968	1,551
TOTAL:	2,087	3,268	214	1,394	6,963	2,117	3,372	728	968	7,185

In the individual enrollment segment, enrollment in the new bronze plans without the Rx MOOP was robust, with 1814 enrollees; many of these enrollees were previously in the BCBSVT non-standard HDHP bronze plan. For 2018 the majority of individuals enrolling in bronze plans without Rx MOOP chose non-standard bronze plans. Overall, there are approximately 400 more enrollees in bronze plans as of January 2018 compared to the same time in 2017. In the small group market, 1551 enrollees selected one of the bronze plans without Rx MOOP as of January 2018 with approximately 200 more enrollees in bronze plans overall compared to the same time-period in 2017.

The significance of the January 2018 bronze enrollment is more pronounced when viewed in terms of migration from 2017 enrollment across all metal levels (see table below). There was substantial migration of overall individual and small business enrollment in two primary areas. First, there is a major trend away from the higher priced metal levels, platinum in-particular, and into the lower-priced metal levels such as bronze and silver. Second, within the bronze level itself, there is considerable migration of enrollment into the less expensive bronze plans. Generally, the non-standard plans had lower premiums than the standard plans, with the non-standard deductible bronze plans having the lowest premium of all. The 2018 market migration into the non-standard deductible bronze plan was remarkable: the individual market saw a 172.9% increase in the non-standard deductible plan enrollment; the small business segment’s net increase in the same bronze plan was 244.3%.

Change in Enrollment by Plan Type, January 2017 - January 2018:

Individual Market					Small Group Market				
Standard Deductible	Standard HDHP	Non-Std. Deductible	Non-Std. HDHP	TOTAL	Standard Deductible	Standard HDHP	Non-Std. Deductible	Non-Std. HDHP	TOTAL
-1.1%	-15.1%	172.9%	-14.9%	3.8%	2.7%	4.4%	244.3%	-29.7%	4.4%

Leading up to the open enrollment period for the 2018 coverage year, there was a strong shared emphasis among DVHA staff, community enrollment assisters, issuers, and consumer advocates to provide extensive outreach and education to help consumers understand the new bronze plan options and make informed enrollment decisions. Utilization of Vermont Health Connect’s on-line *Plan Comparison Tool* increased 40% during this open enrollment period compared to the previous year. This suggests that customers were engaged and made meaningful plan selections for 2018.

In summary, initial enrollment data indicates that the additional bronze plans are meeting a market need, particularly with respect to the lower premium, non-standard designs.

III. Advisory Group Recommendation

Stakeholder Group Composition: Pursuant to Acts 165 (2016) and 25 (2017), stakeholders were consulted to provide recommendations to the VT Legislative Committees regarding the continuation of the out-of-pocket prescription drug limit. The stakeholder group consulted for comment prior to submission of this report is as follows:

- Department of Vermont Health Access: Plan Management Director
- Vermont Health Connect Outreach & Education Team
- Vermont Health Connect Assister Program Manager
- Vermont Medical Issuers: Blue Cross Blue Shield of Vermont, MVP

- Representatives from The Vermont Office of Healthcare Advocate
- Other External Stakeholders: American Cancer Society, VT AIDS Advocates

Stakeholder Recommendation and Supporting Points:

The advisory group recommends the continuation of the statutory Rx MOOP; in addition, the stakeholders unanimously support a continuation of flexibility for Vermont issuers to offer bronze-level QHPs without a pharmacy out-of-pocket maximum beyond the 2019 coverage year.

- The prescription drug limit is an important consumer protection that will remain available throughout the market, for QHPs at all metal levels.
- As noted in the 2018 bronze plan enrollment analysis, uptake of the new bronze-level plans was strong, indicating that the alternative benefit design meets the needs of either new or current customers.
- The 2017 open enrollment period for the 2018 coverage year showed a significant enrollment migration away from the more expensive metal levels, i.e. the platinum and certain gold level plans, in favor of the lower premium silver and, particularly the bronze plans.
- Stakeholders agree that premium affordability is the single most important driver of a consumer's decision whether to purchase coverage, and of QHP selection.
- Among the bronze-level QHPs there is a trend toward the non-standard plan options, among which the less expensive deductible plans without Rx MOOP are increasingly popular.
- The bronze plans without Rx MOOP introduced in 2018 offer covered services before the deductible such as preventive services, office visits, and generic prescriptions. These provisions appear to be especially popular among younger enrollees who often have less frequent healthcare needs and are especially cost-conscious.
- Based on prescription drug claim data from 2015, only 2.1% of BCBSVT enrollees and 1.9% of MVP enrollees reached the Rx MOOP of \$1,300. This suggests many QHP enrollees do not experience the benefit of the Rx MOOP.
- Outreach efforts and utilization of the *Plan Comparison Tool* suggest consumers are engaged and making plan selections based on their individual healthcare needs.
- Since 2015, the QHP change rate during the annual open enrollment period has not been significant in Vermont compared to exchanges in other states. For 2018 enrollment, that change rate increased substantially, with the largest QHP migration since launching the exchange.
- Two enrollment cycles (2018 and 2019) is an insufficient timeframe to fully integrate innovative new QHP benefit designs and measure their popularity among consumers and market impact.
- An indefinite extension of these bronze plan options would best promote both stability and innovation in the QHP market.

This report by definition focuses on bronze enrollment and should not be read to minimize the value of the prescription drug limit as an important consumer protection. The stakeholder recommendation offers a way to maintain the integrity of the Rx MOOP while allowing additional options for those who do not benefit from it.