
The Green Mountain Care Board

Vermont Health Benefit Exchange Benefit Recommendations Summary

August 9, 2012

Decisions for the GMCB

Essential Health Benefits

1. Which benchmark plan should be used to establish the EHB?

Plan Design/Cost-Sharing Structure

1. What purchasing approach should the Exchange take for Exchange plan design?
2. How many plans should the Exchange offer?
3. What plan designs should the Exchange offer?

Agenda for August 9, 2012

- Essential Health Benefits
 - Principles & goals
 - ACA requirements
 - Available options
 - Stakeholder input
 - Recommendations and rationale
- Plan design preview

Affordable Care Act: Market Reforms

- Prohibits pre-existing condition exclusions*
- Prohibits lifetime limits and annual limits on coverage
- Establishes an independent appeals process for coverage denials*
- Coverage for young people up to 26 through parents' plans
- Requires individual and small group health insurance plans to cover "essential health benefits" (EHBs)
- Eliminates co-payments and deductibles for preventive care
- Generally limits deductibles for small group market plans to \$2,000 for individuals and \$4,000 for families
- Applies same guarantee issue, and premium rating regulations across individual and small group markets*
- Requires review of premium increases
- Ensures value for premium payments (minimum medical loss ratio)

* Vermont law before ACA

EHB: Definitions & Principles

- ACA Definition: The “Essential Health Benefits” (EHB) plan is the “benchmark” that the state will use to determine the required benefits and quantitative limitations of any small group or non-group plan sold in 2014 and 2015
- ACA Principles:
 - Comprehensive benefits across ten statutory categories
 - Scope of benefits under a typical employer plan
 - Coverage consistent with the mental health parity laws
 - State flexibility
- Additional Vermont Principle:
 - All state mandates should be included

EHB: ACA Requirements

Must Include Services Within 10 Categories:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services, and chronic disease management
- Laboratory services
- Preventive and wellness services
- Pediatric services, including oral and vision care

State Flexibility in EHB Decisions

- **Select a Benchmark Plan**
- **Select a Pediatric Oral Plan, either:**
 - Federal Employees Dental and Vision Insurance Program (FEDVIP) dental plan with the highest national enrollment
 - The state's Children's Health Insurance Program (SCHIP)
- **Select approach to Habilitative Services, either:**
 - Require plans to offer same services for habilitative needs as it offers for rehabilitative needs and offer them at parity. State would ensure compliance
 - Plans would decide habilitative coverage and report decision to HHS. HHS would evaluate and define future habilitative services.
- **Pediatric Vision requirement**
 - If benchmark plan lacks pediatric vision care, state would include benefits covered in FEDVIP plan with highest enrollment

EHB: Benchmark Plan Options

- HHS approach permits state to select benchmark plan from among four plan types:
 1. Largest plan in any of three largest small group products (MVP, two BCBSVT products)
 2. Largest insured commercial HMO (BCBSVT)
 3. Any of the largest three state employee plans (CIGNA)
 4. Any of the three largest Federal Employee Health Benefits Program (FEHBP) plans
- Vermont analyzed options 1, 2, 3

Premium Impact of Benefit Differences, by %

Comparing the two largest small group plans and the state employee plan:

- The percent differences based on medical costs only (i.e. prescription drugs were not included under prior guidance)
- CIGNA benefits are expected to impact premiums by approximately 1%, driven by four highly significant additional benefits such as infertility treatment.

| Estimated Impact of Benefits % of Premium | MVP EPO | BCBS HMO | CIGNA |
|--|--------------------|---------------------|--------------|
| Low Cost Impact | 0.03% | 0.08% | 0.23% |
| High Cost Impact | 0.00% | 0.31% | 0.89% |
| Total Differences | 0.03% | 0.39% | 1.12% |
| Compared to MVP | | 0.36% | 1.09% |

VERMONT HEALTH REFORM



** Will be updated next week with prescription drug info

Premium Impact, By Dollar Amount

- The estimated premium impact of benefit differences assumes a per member per month (PMPM) medical premium of \$290
 - If add the BCBSVT benefits to a medical plan with a \$290 PMPM that does not already have the benefits, premiums would be expected to increase approximately \$1.00 PMPM.
- The actual premium impact will depend on benefit design (i.e. metal tier), health insurer, and demographics of the enrolled population, among other factors.

| Estimated Impact of Benefits PMPM | MVP EPO | BCBS HMO | CIGNA |
|--------------------------------------|---------------|---------------|---------------|
| Low Cost Impact | \$0.09 | \$0.24 | \$0.67 |
| High Cost Impact | \$0.00 | \$0.90 | \$2.59 |
| Total Differences | \$0.09 | \$1.14 | \$3.26 |
| Compared to MVP | | \$1.05 | \$3.17 |

VERMONT HEALTH REFORM



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Premium Impact, High Cost Benefits

- The benefit differences with the most significant impact are highlighted in the table below

| Detailed Impact of Benefit Differences PMPM Range of Estimates | MVP EPO | BCBS HMO | CIGNA |
|---|------------------------|------------------------|------------------------|
| High Cost Benefits | | | |
| Chiropractic services | n/a | \$0.10 - \$0.20 | \$0.20-\$0.40 |
| Infertility treatments | n/a | n/a | \$1.00-\$1.25 |
| Routine vision care and lenses | n/a | \$0.60 - \$0.75 | \$0.70-\$0.85 |
| Total High Cost Benefits | n/a | \$0.70 - \$1.05 | \$2.05 - \$2.85 |
| All Low Cost Benefits | \$0.00 - \$0.20 | \$0.15 - \$0.35 | \$0.50 - \$0.90 |
| Total Differences | \$0.00 - \$0.20 | \$0.85 - \$1.40 | \$2.55 - \$3.75 |

Mental Health /SUD Considerations

- Parity is required by federal law
- VT's laws exceed federal requirements by applying to non-group market, too
- Key considerations: comments by advocates of mental health patients and their families
- Collected information showed minor differences in services covered
 - None weighed in favor of either benchmark option
 - Differences in out-of-network coverage are not limits considered by HHS to carry over to the definition of essential health benefit; reflective of networks

Wellness

- State priority to encourage wellness
- DVHA investigated options for including wellness initiatives within essential health benefits and found first dollar coverage for preventive services and well visits are required by the ACA
- Other wellness programs being considered within plan design decisions

Stakeholder Input

- Exchange Advisory Board and Medicaid & Exchange Advisory Board meetings

- Letters received from interested organizations
 - Chronic disease group led by American Cancer Society
 - American Diabetes Association
 - American Optometric Association
 - Palliative Care and Pain Management Task Force
 - VT Association for Mental Health & Addiction Recovery
 - Group led by Vermont Campaign for Health Care Security

Stakeholder Request to Add Benefits

- Theme of stakeholder requests to add specific additional benefits not included in benchmark plans or required by the ACA to the EHB package
- Adding benefits, state shoulders 100% of the cost
- EHB approach to be reviewed by the federal government in 2016
 - leaves open the possibility of an exponential increase in state costs in 2016

EHB Recommendations & Rationales

- Benchmark recommendation: **BCBSVT benefit package**
 - **Minimize market disruption for covered population**
(individuals and small businesses)
 - 77% of Vermonters in markets expected to enter the Exchange have a BCBS product → adopting their benefits allows for consistency and familiarity
 - **Balance of cost and comprehensiveness**
 - Coverage differences between plans are primarily minor and comprise quantitative limits
 - Middle of the options for cost
 - **This is a starting point**
 - Decision affects covered benefits for insurance offered in the Exchange in 2014 and 2015

EHB Recommendations & Rationales, cont.

- Pediatric Dental recommendation: **SCHIP benefit package**
 - Identical to coverage under Medicaid and familiar to more Vermont families than federal benefits
- Habilitative Services recommendation: **Require plans to offer habilitative services at parity with rehabilitative services**

Looking to 8/21

Plan Design/Cost-Sharing Structure

1. What purchasing approach should the Exchange take for Exchange plan design?
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Appendix



ACA: Deductible Requirement

Kaiser Family Foundation Analysis:

- Limit deductibles for health plans in the small group market to \$2,000 for individuals and \$4,000 for families unless contributions are offered that offset deductible amounts above these limits. This deductible limit will not affect the actuarial value of any plans. (Effective January 1, 2014)
- Catastrophic plan available to those up to age 30 or to those who are exempt from the mandate to purchase coverage and provides catastrophic coverage only with the coverage level set at the HSA current law levels except that prevention benefits and coverage for three primary care visits would be exempt from the deductible. This plan is only available in the individual market.

Sample MH/SUD Services

| Specific Service | Small group (MVP) | Largest HMO (BCBS) | State employee (CIGNA) |
|---|-------------------------|--------------------|-------------------------|
| Outpatient services | √ | √ | √ |
| Intensive outpatient services | Information unavailable | √ | √ |
| Inpatient services | √ | √ | √ |
| Emergency inpatient services | Information unavailable | √ | √ |
| Partial hospital day treatment | √ | √ | Information unavailable |
| Autism therapy | √ | √ | √ |
| Behavioral management of early-onset Alzheimer | √ | √ | √ |
| Family and marital problems therapy | X | √ | √ |
| Organic mental disorders treatment | √ | √ | X |
| Psychological testing | √ | √ | Information unavailable |
| Psychotherapeutic programs for chronic disease patients | √ | √ | √ |
| Detoxification | √ | √ | Information unavailable |
| Outpatient services for patient's family | √ | √ | √ |
| Eating disorder treatment | Information unavailable | √ | √ |

Stakeholder Input

| Interested organization(s) and date | Constituencies | Main concern or request |
|---|--|---|
| American Cancer Society New England Cosigned by: VT Campaign for Health Care Security, VT NEA, AHA/ASA, Greater New England Ch. NMSS, ADA | Vermonters with chronic disease | Requests information on coverage for 31 benefits necessary for chronic conditions in the plans being considered for benchmark status. Especially concerned about non-monetary limits on the amounts or level of service a patient may utilize. |
| American Diabetes Association 5/31/12 | 30,000 Vermonters with diabetes | EHB that includes prevention, management, and care of diabetes, including specifically and without outside limits: diabetes screening for high risk individuals, durable medical equipment, pregnancy services, yearly eye exam, podiatry services, diabetes education, nutrition therapy. |
| American Optometric Association 4/20/12 | National organization representing 36,000 optometric professionals | Include a pediatric eye plan that conforms to ACA requirements (yearly exam, vision services including corrective devices) |
| Palliative Care and Pain Management Task Force in conjunction with VT Ethics Network 7/12/12 | Vermonters in need of palliative care and their families | Include an enhanced hospice benefit (expanded to individuals with a 12-month life expectancy and allows for continuation of “disease modifying therapy”) and terminal care management program in EHB |
| Vermont Association for Mental Health & Addiction Recovery | Vermonters with mental illness or addiction disorder | EHB that includes flexible treatment options that expand beyond “typical employer coverage” to include: outpatient detoxification, crisis services, eating disorder treatments, recovery support services, pediatric services, home visiting programs, wellness and prevention screenings, case management and coordination, support and referral services. |
| Vermont Campaign for Health Care Security Education Fund Cosigned by: ACS NE, VT Health Care Ombudsman, VT NEA, VT AHA/ASA 6/19/12 | Vermonters interested in comprehensive, affordable health care for all in VT | Choose state employees’ health plan as benchmark. Rationale: includes most comprehensive benefits at low cost differential above other plans, minimal inside limits on coverage compared to other plans, best services for chronic conditions, greater out-of-network coverage. Also will assure public’s concern regarding benefits. |
| Vermont Optometric Association 8/1/12 | Vermont Optometrists | Request for optometrist visit to be considered a PCP or Medical Home visit and not require a referral, elimination of differences between medical and routine vision care, and payment for services rather than diagnosis. |
| Individual Vermonters 2/14/12, 5/22/12, 6/15/12 | | GMCB received several letters from individuals advocating for coverage of chiropractor services, doulas, and for defining rheumatoid arthritis as a disease requiring chronic care management |

Stakeholder Input: EAB Comments

- Majority of comments revolved around requests for additional information or clarification on the actuarial analysis, benefits included in benchmark plans, ACA and Vermont requirement, how to factor in downstream effects, and the process and timing for choosing a plan
- Other common comments were on the actuarial value differences between plans being surprisingly low- there was a general expectation that the plans would have greater differentiation, with CIGNA state employees plan being higher than it was
- Overall, EAB members split on their preferences among state employee plan and largest HMO plan, including arguments along these lines :
 - If not much difference, go with highest actuarial value (CIGNA)
 - Do not choose large group plan for a small group market – stay with the small group plan that individuals who will be in the Exchange will be familiar with (BCBS)
 - Choosing the state employee plan is a good selling point
 - Small actuarial differences may end up being significant
- Other comments revolved around concerns about prior approval – and the burden they can be for patients

SCHIP Pediatric Dental Covered Services

- Prevention, evaluation and diagnosis, including radiographs when indicated
- Periodic prophylaxis, including topical fluoride applied in a dentists office
- Periodontal therapy
- Preatment of injuries
- Treatment of disease of bone and soft tissue
- Oral surgery for tooth removal and abscess drainage
- Treatment of anomalies
- Endodontics (root canal therapy)
- Restoration of decayed teeth
- Replacement of missing teeth, including fixed and removable prosthetics (i.e. crowns, bridges, partial dentures and complete dentures)

SCHIP and FEDVIP Comparison

| Benefit | CHIP | FEDVIP - MetLife | Comparison |
|---|--|--|--------------------|
| Class I | | | |
| Clinical oral examinations | √ Periodic oral evaluations limit 2 / yr. Limited oral evaluations limit 1 / provider date of service. Comprehensive evaluations limit 1 / per provider / 3yrs | √ limit 2 / yr | Same |
| Radiographs | √ Limit 2 / yr for bitewings, limit 2 / yr for complete intraoral or panoramic. | √ limit 2 / yr for bitewings, limit 1 / 5 yrs for complete intraoral or panoramic | CHIP more generous |
| Dental prophylaxis | √ limit 2 / yr | √ limit 2 / yr | Same |
| Fluroide treatments | √ limit 2 / yr | √ limit 2 / yr | Same |
| Sealants | √ limited to 1 / permanent molar / 5 yrs | √ limit 1 /molar / 3 yrs | CHIP more generous |
| Space maintainers | √ limit 1 / 2 yrs for same tooth | √ | |
| Counseling | √ Smoking Cessation only | NC | CHIP more generous |
| Exclusions (not comprehensive) | cone beams | Tomographic survey, cone beams, TMJ, arthrogram, caries test, instructions | |
| Class II | | | |
| Amalgam, silicate, acrylic or plastic restorations | √ | √ | |
| Endodontics - pulp capping, pulpotomy and root cannal therapy | √ limit 1 / tooth / lifetime | √ | |
| Periodontics - surgical services | √ limit 4 surgical procedures / lifetime. Limited scope | √ limit 1 / 3 yrs most surgeries | CHIP more generous |

SCHIP and FEDVIP Comparison, continued

| Benefit | CHIP | FEDVIP - MetLife | Comparison |
|--|---|--|--------------------|
| Periodontics - non-surgical services | √ limit 4 quadrants / yr | √ limit 1 / 2 yrs | |
| Periodontics - maintenance | √ limit 2 / yr | √ limit 4 yr | CHIP more generous |
| Maintenance prosthodontics (adjustments) | √ limit 1 / denture / 2 yrs | √ | |
| Maintenance prosthodontics (repair) | √ limit 1 / denture / 2 yrs | √ | |
| Maintenance prosthodontics (rebase/reline) | √ limit 1 / denture / 2 yrs | √ limit 1 / 3 yrs | CHIP more generous |
| Simple extractions | √ | √ | |
| Oral Surgery | √ | √ | |
| General anesthesia | √ | √ | |
| Exclusions (not comprehensive) | local anesthesia IS included | local anesthesia, non-intravenous conscious sedation appliance removal | |
| <i>Class III</i> | | | |
| Crowns - single restorations | √ limit prefabricated crowns 1 / tooth / 2 yrs. Cast Crowns limit 1 / tooth / 2 yrs | √ limit 1 / tooth / 5 yrs | CHIP more generous |
| Installation of prosthodontics - complete or partial dentures, bridge pontics and abutment | √ limit 1 / arch / 5 yrs | √ limit 1 / 5 yrs | |
| Exclusions (not comprehensive) | gold foil surface, interim complete dentures | gold foil surface, provisional or temporary crown, splinting, interim dentures | |
| <i>Orthodontics 2</i> | | | |
| Medically Necessary | √ | √ | |

Current Market Enrollment

- January 2012 Members by Insurer and Market
- Includes markets that are expected to enter the Exchange
 - “Associations” only includes small groups that are currently in associations

| Market Enrollment | BCBS | MVP | Total |
|-------------------------------|--------|--------|--------|
| Catamount | 13,492 | 577 | 14,069 |
| Individual (incl Safety Net) | 2,066 | 1,948 | 4,014 |
| Small Group (incl Safety Net) | 24,850 | 15,979 | 40,829 |
| Associations | 20,716 | - | 20,716 |
| Total | 61,124 | 18,504 | 79,628 |

| Market Distribution | BCBS | MVP | Total | Market as % of Total |
|-------------------------------|------|-----|-------|----------------------|
| Catamount | 96% | 4% | 100% | 18% |
| Individual (incl Safety Net) | 51% | 49% | 100% | 5% |
| Small Group (incl Safety Net) | 61% | 39% | 100% | 51% |
| Associations | 100% | 0% | 100% | 26% |
| Total | 77% | 23% | 100% | 100% |

Current AVs by Market - Combined

- Percent of market analyzed = 93%
- Average AV = 73%

| Combined Actuarial Value Range | # of Members | % of Members |
|--------------------------------|--------------|--------------|
| <45.0% | 1,009 | 1% |
| 45.0%-55.9% | 920 | 1% |
| 55.0%-64.9% | 15,700 | 21% |
| 65.0%-74.9% | 28,280 | 38% |
| 75.0%-84.9% | 12,908 | 17% |
| 85.0%-94.9% | 15,068 | 20% |
| 95.0% or higher | 277 | 0% |
| Total | 74,162 | 100% |