

**Plan Standardization**  
**Recommendations – Connect for Health CO Advisory Board**  
**October 2017**

The group had the opportunity to discuss the potential standardization of the plans offered via the exchange as well as engaging staff from Covered California (Allie Manglaracino, Quality Analyst and Dr. Lance Lang, Chief Medical Officer) in an overview of their experience with standardization. A summary of the key points of the Covered CA plan include:

- Why they chose to offer consumer-centered benefit design plans:
  - More consumer-friendly shopping experience. Evidence from Medicare plans shows that more consumer-friendly shopping improves outcome of choices
  - Allows focus to be solely on the cost of the plan
  - Cost containment – making consumers more aware of variations in cost
- CA is an active purchaser
  - They require standardized plans that are contracted with Covered CA on and off exchange
  - Limits to the number of vendors
- Benefits structure:
  - Primary care visit without a co-pay – at least once per year for every plan
    - Bronze plans (for example) have three visits with co-pay before deductible
    - Many services with specialists, urgent care, etc. have co-pays rather than have to meet deductible or having co-insurance
  - Plans competing on price, network, quality, service and philosophy.
  - Options available:
    - Every metal except gold and platinum has one plan design
    - Gold and Platinum has two types – co-pay and coinsurance
      - Essentially the same but differences in select services
    - SHOP silver plan has 2 options – co-pay or coinsurance
  - Specialty drug co-pay cap of \$250/month regardless of deductible requirement
- Challenges:
  - Defining cost sharing in different plan models (PPO, HMO)
  - Rural areas
    - Every part of the state has 2 plans
    - Benefit administration requirements challenging for pharmacies with tiered networks
- Cost containment analysis will be done via data warehouse.

**Group discussion:**

- Discussion of different elements of CA plan and what would be desirable for a CO structure
  - Discussion was fairly broad and touched on potential plan design elements, but decided that our conversation should be limited to the question at hand with further discussion should the C4 Board elect to proceed
- Consensus agreements:
  - Limit the number of plans per tier (range was discussed but not determined lacking adequate data)
  - Requirement that one of the offerings per tier is standardized

- Some non-standardized plans to allow for HSA compatible plans and innovative plan design but only carriers participating in the standardized plans may offer non-standard option(s).
- Special Note: We had representation from Kaiser at this meeting and received agreement (email) with items noted. We will need to discuss with representation from other carriers offline for any further comment. We also had a post meeting written comment from the Colorado Association of Health Underwriters:

“CSAHU encourages Connect of Health CO policy that will insure consumers make the best decisions in choosing health insurance coverage. Any effort to allow consumers to make a simple side by side comparison of insurance plans is supported. We believe consumers who make informed choices are better engaged. A prohibition or restrictions to consumer choice limits innovation and removes the consumer from taking ownership of their choices. We do not support our committees recommendation to limit choice. We support Connect for Health’s role in educating and guiding consumers toward health care and financial literacy by developing tools that work to achieve this end. Further, the board should recognize the important role CDHP have in the Marketplace and preserve the right for consumers to engage in these plans and save for future health care expenses.”

There was also a concern post meeting regarding the compensation of brokers in a standardized environment.