



COLORADO
**HEALTH
BENEFIT**
EXCHANGE

Metal Tier Stakeholder Discussion

Report to COHBE Board

November 12 2012

What are cost-sharing/metal tiers?

- Way to organize and present health plan choices to consumers
- Broad measure of the portion of medical costs that the carrier pays vs. what a consumer may pay (actuarial value)
- New federal requirement for Qualified Health Plans offered in small group and individual market (not currently in use)
- Four levels



Current Labeling for Tier Levels



Platinum: On average, 90% paid by carrier and 10% paid by consumer



Gold: On average, 80% paid by carrier and 20% paid by consumer



Silver: 70% / 30%



Bronze: 60% / 40%

Metal Tier Example

If a population uses \$100 million in medical services and the carrier pays for \$80 million of those costs, the plan would have an actuarial value of 80% - and that would be considered a gold plan

(calculation is not made on individual basis; will be standardized for carriers based on a large historical claims database)



Why are we talking about metal tiers?

- COHBE and partners are currently designing our shopping portal and need to meet implementation deadlines
- Effective customer service is important
- We need to help consumers understand health plan choices



Stakeholder Meeting

- COHBE invited members of all 4 advisory groups to the Outreach and Communications Advisory Group meeting on October 31
- COHBE sent background reports to advisory group members and posted on website (Consumers Union, Commonwealth Fund)
- Patty Fontneau blogged about the topic the week before the advisory group meeting
- About 50 stakeholders participated in person and over the phone



Important messages for consumers

- Cost-sharing tiers are one way to compare health plan choices
- Cost-sharing tiers do not measure quality of health care or network of providers
- Your total cost over the year can differ significantly from plan to plan – even in the same cost-sharing tier
- How often you need medical care, medication and related services and how much financial risk you are willing to take during the next year are factors to consider when looking at plans



Challenges with metal tier labels

- Consumers may think that platinum and gold plans are higher quality than silver and bronze plans
- Consumers may think that bronze plans, with the cheapest premiums, will be the lowest cost to them over time
- Consumers may not understand cost-sharing concept in general and may not understand financial risk (is less information better?)



Small Group Breakouts

Participants in the Advisory Group meeting discussed:

- How other industries use similar labels
- How COHBE stakeholders are approaching this communication challenge
- Best phrases for describing the tiers
- Other labeling ideas



Other Labeling Conventions

	Platinum	Gold	Silver	Bronze
Ski slopes	green	blue	black	double black
Geography	plains	mesas	mountains	14ers
Boats	tanker	motorboat	canoe	kayak
Colors	white	blue	yellow	red
Trees	oak	pine	aspen	pinyon



Conclusions

- Group overwhelmingly voted to use the metal tier labels
 - Consumers generally understand meaning
 - Rest of the country will use the metal tiers
- We should provide clear explanations
- We should show that tiers do not measure quality
- We should help explain financial risk
- We should use symbols and visual aids
- We should not use percentages or “actuarial value”



Sample Description of Metal Tiers

Bronze

Lowest monthly insurance payment

Higher payments for medical services

Good for people who don't plan to use a lot of medical services

Silver

Higher monthly insurance payment than bronze

Lower payments for medical services than bronze

Good for people who want to balance monthly costs and future costs for medical services

Gold

Higher monthly insurance payment than silver

Lower payments for medical services than silver

Good for people who plan to use a fair amount of medical services

Platinum

Highest monthly insurance payment

Lowest payments for medical services

Good for people who plan to use a lot of medical services

