# Standing Advisory Committee Meeting

September 8, 2022

MHBE Policy Department

MARYLAND HEALTHBENEFIT EXCHANGE

# Agenda

2:00 - 2:10 | Welcome
*Ken Brannan and Jon Frank, SAC Co-Chairs*

2:10 - 2:20 | Executive Update
*Michele Eberle, MHBE Executive Director*

2:20 - 2:50 | 2024 Standardized Plan Design (Draft) Preview
*Johanna Fabian-Marks, Director of Policy & Plan Management*

2:50 - 3:05 | State Reinsurance Program Update
*Johanna Fabian-Marks*

3:05 - 3:20 | Small Business & Nonprofit Subsidy Workgroup Update
*Mimi Hailegeberel, Manager, Small Business Programs*

3:20 - 3:50 | No Surprises Act Overview
*Kimberly Cammarata, Attorney General's Office, Health Education & Advocacy Unit*

3:50 - 4:00 | Public Comment

4:00 | Adjournment

# Welcome

# Executive Update

# 2024 Standardized Plan Design (Draft) Preview

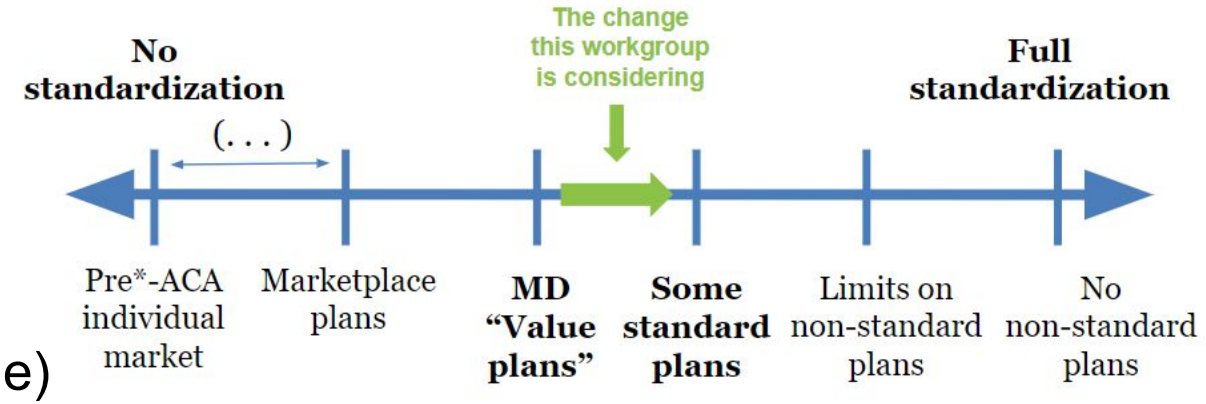
# Affordability Workgroup Content

**Guiding questions:**

1. How to make high-value coverage **more affordable**, especially for populations disproportionately impacted by high-cost health conditions like diabetes?
2. How to make plan shopping **more straightforward**, so that consumers can **more easily choose and use** affordable, high-value coverage?
3. How to use plan design and plan certification standards to promote these goals?
4. What should the future of the Young Adult subsidy program look like (i.e., what should the workgroup recommend to the General Assembly)?

**Under discussion:**

- Transitioning from value to standard plans
- Using plan design to address health equity
- Simplifying plan shopping (limit on # of plans/metal level)
- Expansion of Value Plan $0 insulin & glucometers to all plans (except HSA-eligible)




MARYLAND HEALTHBENEFIT EXCHANGE

# Members

| Member | Affiliation |
|---|---|
| Brad Boban | MIA |
| Evalyne Bryant Ward | University of Maryland Charles Regional Medical Group |
| Matt Celentano | League of Life & Health Insurers of MD, Inc. |
| Steven Chen | Maryland Hospital Association |
| Lindsey Finne | HSCRC |
| Maya Greifer | United Health Care |
| Howard Haft | Maryland Primary Care Program |
| Emily Hodson | Chase Brexton |
| Stephanie Klapper | Maryland Citizens' Health Initiative |
| Michelle Livshin | On Our Own MD |
| Allison Mangiaracino | Kaiser Permanente |
| Jonathan McKinney | The Advocacy Factory |

| Member | Affiliation |
|---|---|
| Robert Metz | CareFirst |
| Kavita Patel | Mary's Center |
| Crystal Shivers-Lester | Seedco |
| Lisa Solomon | N/A |
| David Stewart* | AHEC West |
| JoAnn Volk* | Georgetown Center for Health Insurance Reforms |
| Crystal Watkins | MedStar Harbor Hospital |
| Andrew York | PDAB |

* co-chair

# 2023 Value Plan Standards

| Requirements | Bronze | Silver | Gold |
|---|---|---|---|
| **Minimum offering** | Issuer must offer at least 1 "Value" plan. | Issuer must offer at least 1 "Value" plan. | Issuer must offer at least 1 "Value" plan. |
| **Branding** | Required. | Required. | Required. |
| **Medical Deductible Ceiling** | No requirement. Lower deductibles are encouraged. | $3,000 or less. | $1,000 or less. |
| **Services Covered with Copay Before Deductible** | • Primary Care Visits with copay of not more than $40<br>• Mental Health and Substance Use Disorder<br>• Outpatient Visits with copay ≤$40<br>• Generic Drugs with copay ≤$20 | • Primary Care Visit<br>• Urgent Care Visit<br>• Specialist Care Visit<br>· Mental Health and Substance Use Disorder Outpatient Visits<br>• Generic Drugs<br>• Laboratory Tests<br>· **$0 Diabetic Supplies (insulin, glucometers, test strips)** | • Primary Care Visit<br>• Urgent Care Visit<br>• Specialist Care Visit<br>· Mental Health and Substance Use Disorder Outpatient Visits<br>• Generic Drugs<br>• Laboratory Tests<br>• X-rays and Diagnostics<br>· **$0 Diabetic Supplies (insulin, glucometers, test strips)** |

# Policy Opportunities for Standardized Plans

- Increase health care access
- Promote insurer competition
- Simplify plan choice
- Set a coverage “floor”

# Standard Plan Goals

- **Affordability** – plans should be designed to make commonly used services feasible for consumers to access, keeping in mind that 35% of adults don't have $400 to cover an emergency expense.[1]
  - Minimize deductibles and/or cover commonly used services pre-deductible
  - Separate drug and medical deductibles
- **Simplicity** - plans should allow consumers to easily understand their cost-sharing and compare plans
  - Prioritize copays over coinsurance as feasible
  - Standardize cost sharing for common services
- **Alignment with State health goals** – plan design should support Maryland's population health goals
  - Facilitate access to primary care, substance use disorder treatment, services to manage diabetes
- **Equity** - reduce cost-sharing for high-disparity conditions, starting with changes that minimize impact to actuarial value
  - Start with targeted elimination of cost-sharing for services to manage diabetes
- **Minimal market disruption** – standard plans should be designed with awareness of current value plan designs and endeavor to minimize disruptive changes to carriers' existing value plan cost sharing values/structures, particularly for the most used services
  - However, one time disruption may be necessary to achieve other goals, e.g. standardizing cost-sharing across plans and prioritizing use of copays

[1] https://www.federalreserve.gov/publications/2021-economic-well-being-of-us-households-in-2020-dealing-with-unexpected-expenses.htm#:~:text=Consistent%20with%20results%20on%20how,time%20can%20have%20serious%20consequences

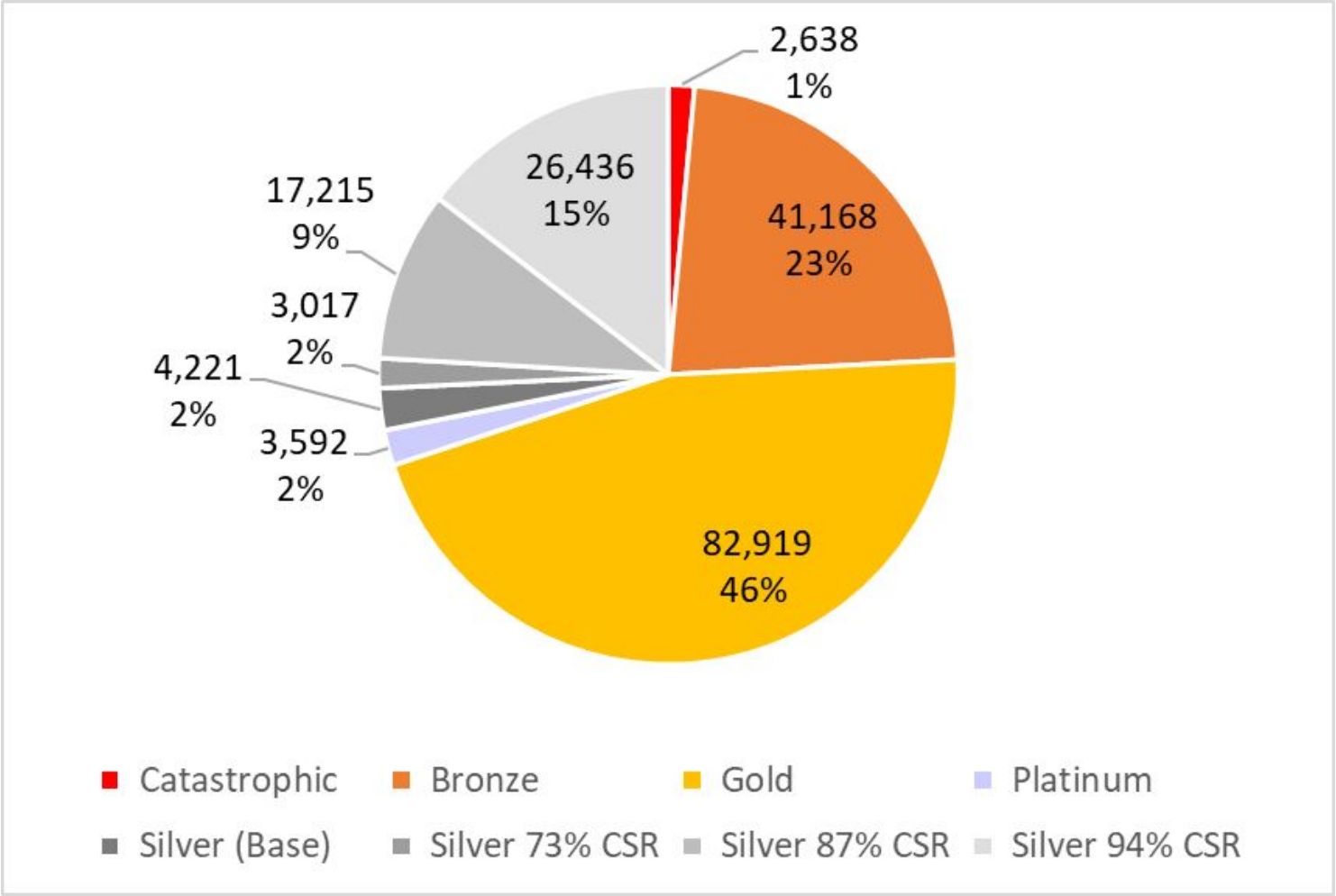
# Proposed 2024 Standard Plan Designs - Draft as of 9/7/22

| | Gold | CSR 94% | CSR 87% | CSR 73% | Base Silver | Bronze - Expanded |
|---|---|---|---|---|---|---|
| Actuarial Value | 81.8% | 94.85% | 87.88% | 73.97% | 71.58% | 64.8% |
| Medical Deductible | $1,000 | $0 | $1,000 | $4,500 | $4,500 | $9,100 |
| Drug Deductible | $150 | $0 | $150 | $750 | $750 | n/a |
| Medical MOOP | $6,750 | $1,350 | $2,500 | $5,750 | $7,600 | $9,100 |
| Rx MOOP | $600 | $150 | $500 | $1,500 | $1,500 | n/a |
| Emergency Room Services | $350 | $75 | $150 | $500 | $500 | n/a |
| All Inpatient Hospital Services (inc. MH/SUD) | $450 | $150 | $350 | $550 | $550 | n/a |
| Primary Care Visit | $10 | $2 | $10 | $35 | $35 | $35 |
| Specialist Visit | $30 | $15 | $30 | $80 | $80 | $80 |
| MH/SUD | $10 | $2 | $10 | $35 | $35 | $35 |
| Imaging (CT/PET Scans, MRIs) | $500 | $125 | $500 | $600 | $600 | n/a |
| Speech Therapy | $10 | $2 | $10 | $35 | $35 | $35 |
| Occupational and Physical Therapy | $10 | $2 | $10 | $35 | $35 | $35 |
| Preventive Care/Screening/Immunization | $0 | $0 | $0 | $0 | $0 | $0 |
| Laboratory Outpatient and Professional Services | $25 | $5 | $25 | $80 | $80 | $80 |
| X-rays and Diagnostic Imaging | $50 | $20 | $50 | $150 | $150 | $150 |
| Skilled Nursing Facility | $75 | $30 | $75 | $150 | $150 | n/a |
| Outpatient Facility Fee | $250 | $50 | $75 | $150 | $150 | n/a |
| Outpatient Surgery Physician/Surgical Services | $125 | $60 | $125 | $150 | $150 | n/a |
| Generic Drugs | $10 | $0 | $5 | $20 | $20 | $20 |
| Preferred Brand Drugs | $30 | $5 | $25 | $75 | $75 | n/a |
| Non-Preferred Brand Drugs | $60 | $15 | $50 | $80 | $80 | n/a |
| Specialty Drugs (i.e. high-cost) | $75 | $25 | $60 | $100 | $100 | n/a |

MARYLAND HEALTHBENEFIT EXCHANGE

***Blue text** indicates pre-deductible coverage.

# Total MHC Enrollment by Metal Level, 2022




*Enrollment data as of January 31, 2022.*

| CSR Eligibility by FPL | | | |
|---|---|---|---|
| % FPL | AV | Individual Household Income | Family of 4 HH Income |
| Up to 150% | 94% | $20,385 | $41,625 |
| 151-200% | 87% | $20,386 to $27,180 | $41,626 to $55,500 |
| 201-250% | 73% | $27,181 to $33,975 | $55,501 to $69,375 |

https://aspe.hhs.gov/sites/default/files/documents/4b515876c4674466423975826ac57583/Guidelines-2022.pdf

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# Next Steps

- Workgroup currently considering how to standardize additional services:
  - Non-AV Calculator services (urgent care, emergency transportation, hospice, pediatric dental coverage)
  - Reduce cost-sharing for diabetes care management (based on DC HBX design – see right.)
  - Vote on Standardized Plan Design recommendations
- Workgroup recommendations will be taken to the Board in November
- Workgroup recommendations and additional Plan Certification Standards for 2024 to be shared with SAC in November

## DC HBX Design

For a person with a primary diagnosis of Type 2 diabetes, the following are provided with no cost sharing:

**Office Visits/Exams**

- PCP visits (unlimited)
- dilated retinal exam (1x per year)
- diabetic foot exam (1x per year)
- nutritional counseling visits (unlimited)

**Lab services**

- Lipid panel test (1x per year)
- Hemoglobin A1C (2x per year)
- Microalbumin urine test or nephrology visit (1x per year)
- Basic metabolic panel (1x per year)
- Liver function test (1x per year)

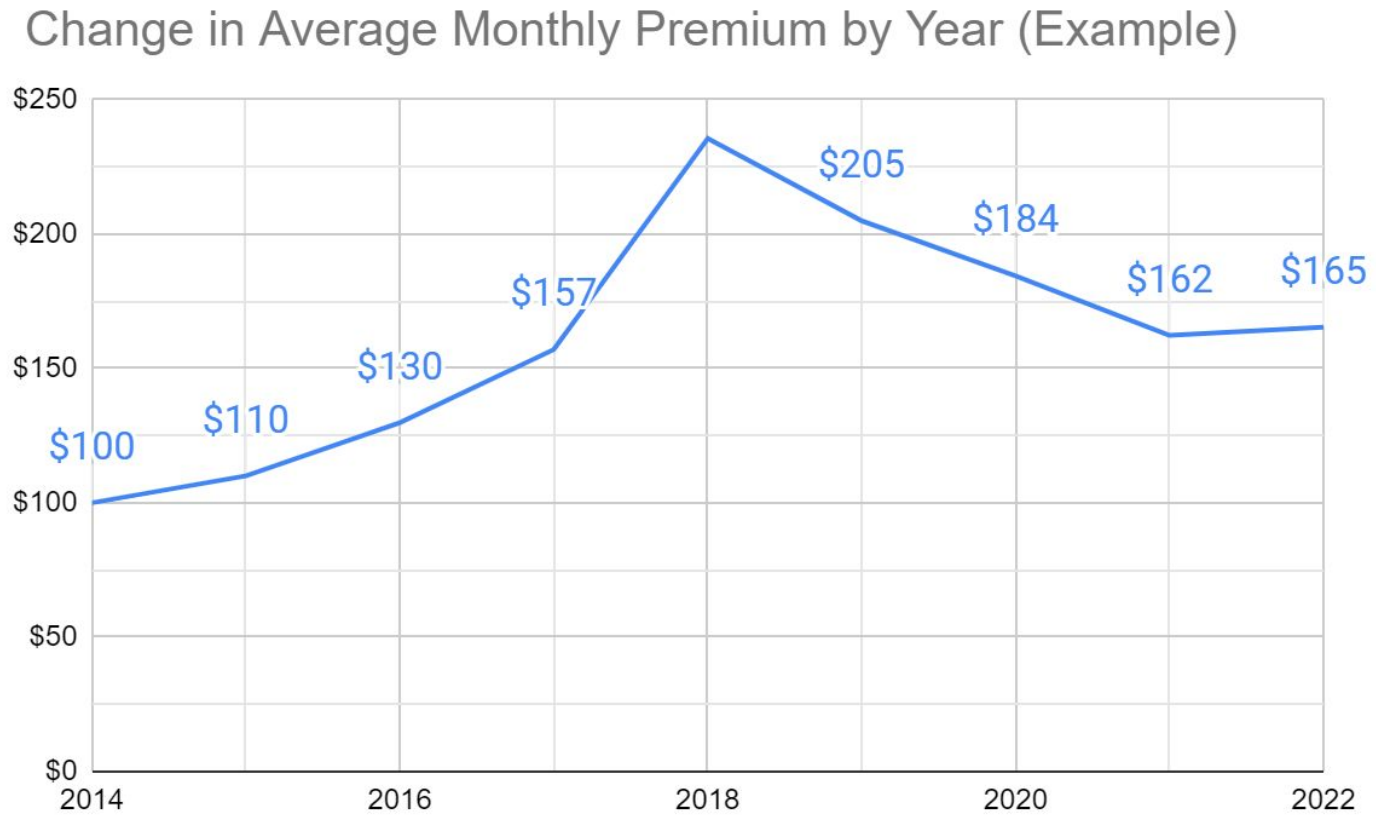
A select list of **diabetes supplies and medications within the diabetic agents drug class**, as defined by the carrier, are provided with no cost-sharing. A carrier is not required to change the drugs that are on the carrier's formulary.

https://hbx.dc.gov/sites/default/files/dc/sites/hbx/event_content/attachments/Standard%20Plans%20Advisory%20Group%20Report%20VBID%2011%208%2021%20final%20%28002%29_0.pdf

# State Reinsurance Program Update

# Premiums Fell Through 2021, Rose in 2022

| Plan Year | Individual Premium Change |
|---|---|
| 2014 | n/a |
| 2015 | 10% |
| 2016 | 18% |
| 2017 | 21% |
| 2018 | 50% |
| **2019** | -13% |
| **2020** | -10% |
| **2021** | -12% |
| **2022** | 2.1% |

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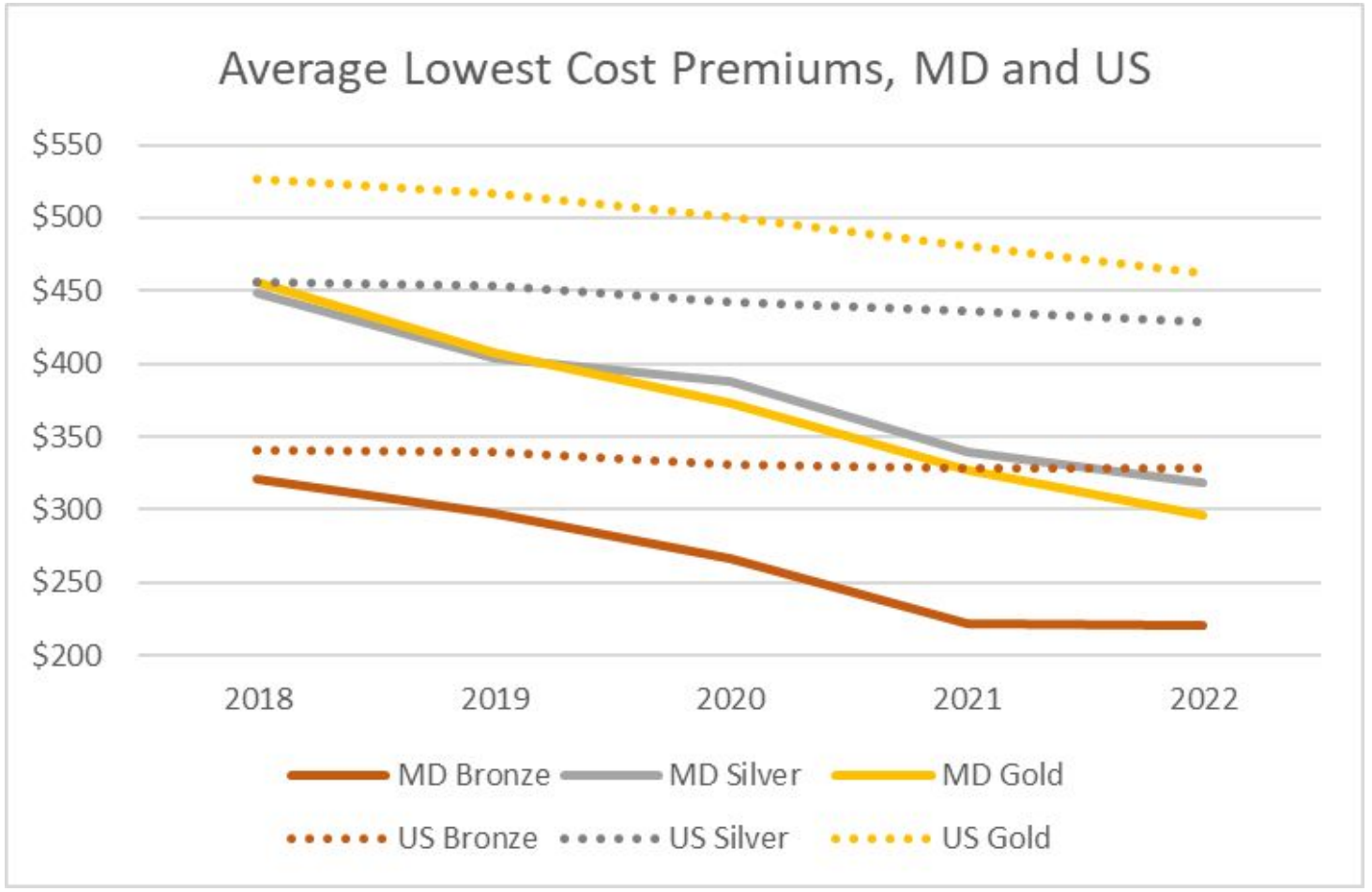
# Premiums Lower in MD than US Overall

In 2022, Maryland's lowest cost plans are about 20-30% below US averages, depending on metal level.




*Data source: Kaiser Family Foundation*

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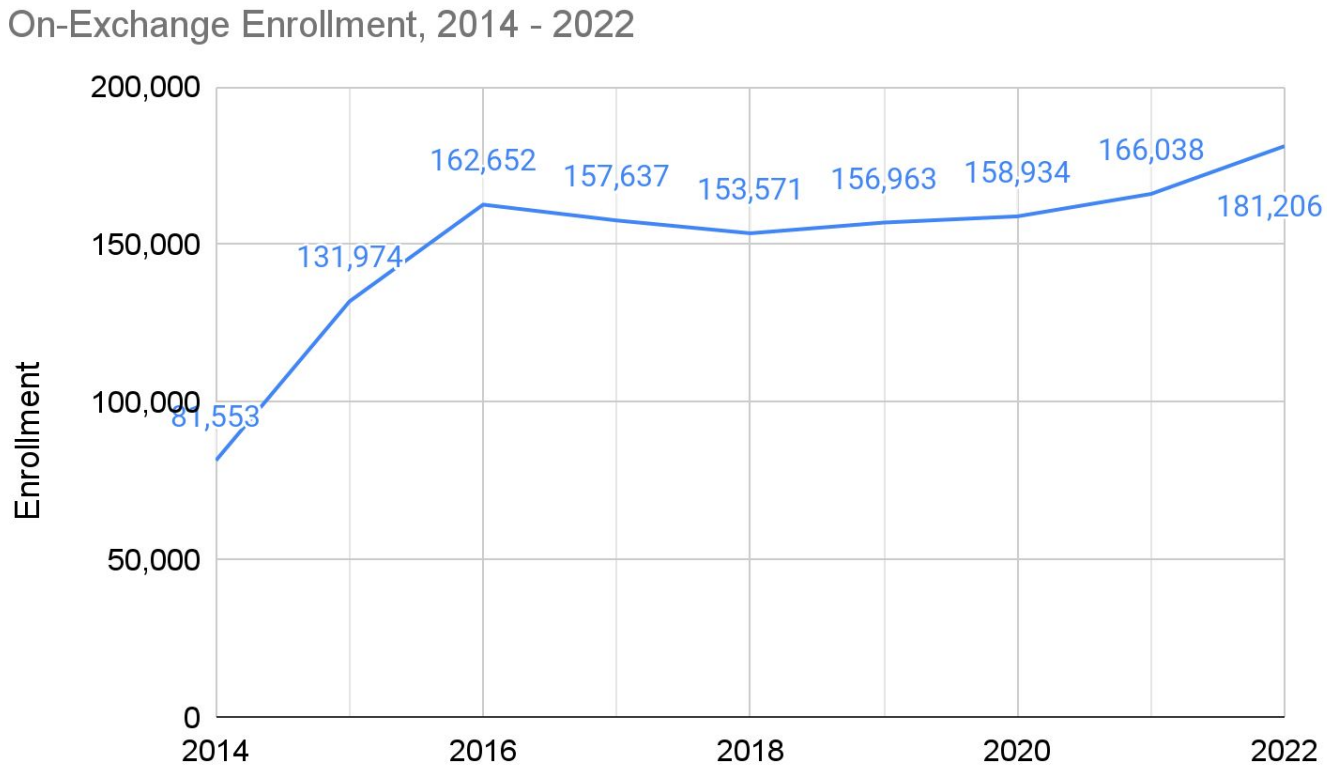
# Enrollment Continued to Rise

- Maryland's total 2022 individual market enrollment, including plans obtained directly from carriers was 241,273 – up about 10% percent from 219,000 in 2021[1]
- Individual market exchange enrollment is at an all-time high




1. Enrollment data provided by MIA
2. On-exchange enrollment data (shown in graph) as of the end of open enrollment preceding each plan year

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# Legislative Session 2022 - SRP Financing

**HB0413 / SB0395: Health Insurance – Individual Market Stabilization – Extension of Provider Fee**

- Extends 1% assessment on insurance providers through 2028 to fund SRP
- Requires MIA to lead workgroup in consultation with MHBE
  - SRP impact and possible funding sources; appropriateness of 1% fee; market reforms needed to provide affordable individual market coverage
  - Report due on December 1, 2023

# Projected SRP Fund Expenses and Income: Plan Year 2023

- We project that using the current parameters, the SRP will remain solvent in 2023.
- Enhanced subsidies have been extended, increasing expected Federal funding in 2023
- Starting in 2022, annual Federal + State funding will be less than the annual cost of the program. We will start to spend down State reserves to fund the SRP.

| | 2021 | 2022 Est. | 2023 Est.* |
|---|---|---|---|
| SRP Cost (M) | $468 | $520 | $552 |
| Other Expenditures (M)** | $100 | $22 | $42 |
| Fed. Funding (M) | $475 | $344 | $395 |
| State Funding (M) | $124 | $127 | $130 |
| End of Year Balance – Fed. (M) | $74 | $0 | $0 |
| End of Year Balance - State (M) | $367 | $365 | $295 |

*Assumes $20,000 attachment point in 2023.
**Can only be funded with state dollars. 2021- Medicaid transfer; 2022 -YA subsidy and SPDAP; 2023 - YA subsidy, Health equity grants, and Community Health Resources Commission.
Dollar amounts rounded to the nearest million. Cost and funding projections from Lewis & Ellis 10-year projections as of 7/8/22. For detailed projections, see July 2022 MHBE Board meeting documents at https://www.marylandhbe.com/2022-board-meeting-documents/

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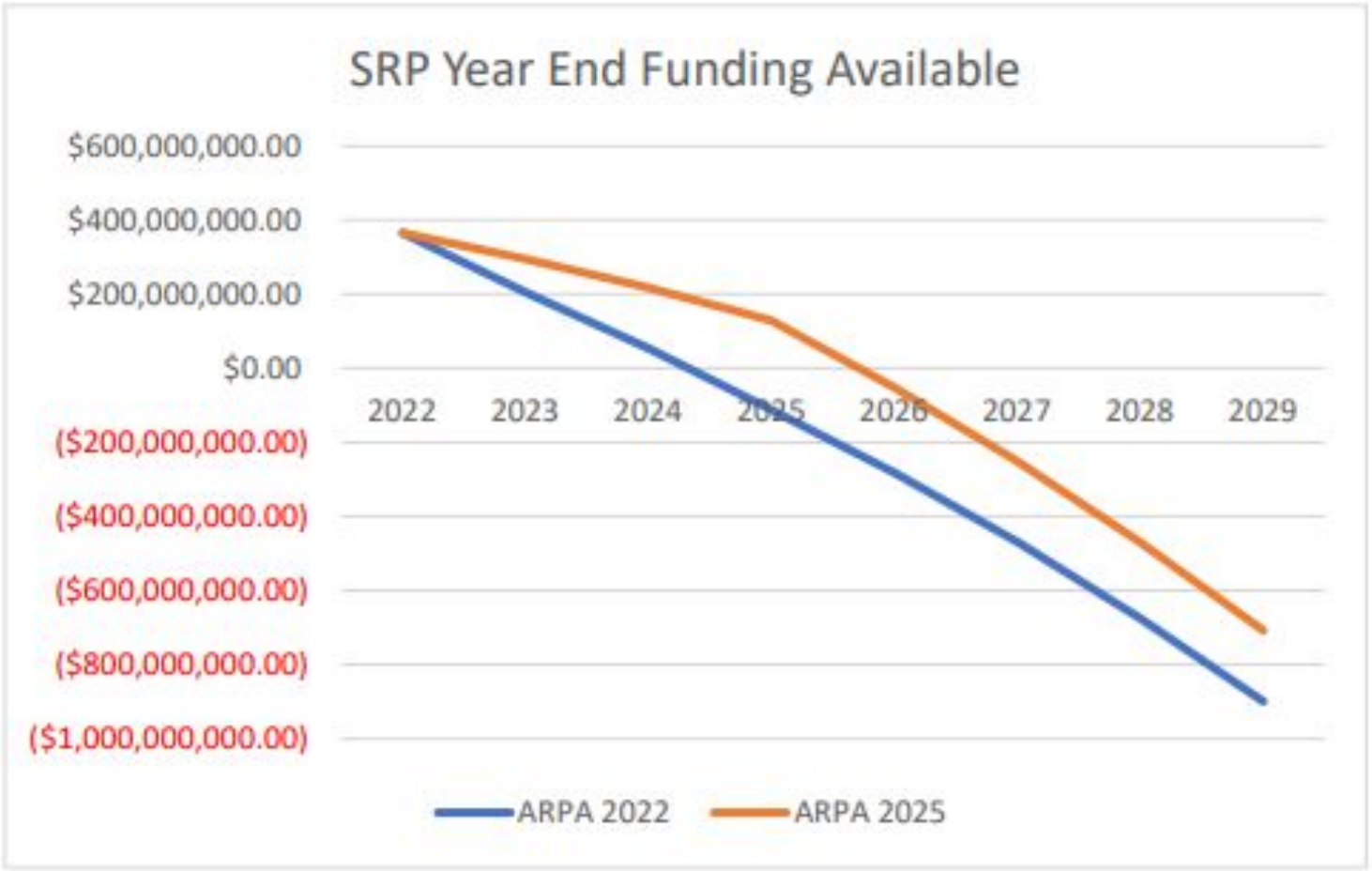
# Projected SRP Funding Available Through 2029

- We project that SRP funding will not be sufficient to sustaining the program after 2025 (assuming the attachment point is $20,000 for all years and other parameters are unchanged).
- Causes: higher than projected claims costs and enrollment; lower federal funding
- To maintain solvency, either additional funding will be necessary, or the program's parameters will need to be modified to reduce reinsurance liabilities - to be discussed in HB413 workgroup.




MARYLAND HEALTHBENEFIT EXCHANGE

# 2023 SRP Parameters

The MHBE Board:

- Authorized the Insurance Commissioner to set an attachment point between $15,000 and $20,000
- Approved no change to the existing coinsurance rate and cap
- Determined that a dampening factor, to be provided by the Commissioner, is required.

| Parameters | Final 2019 | Final 2020 | Final 2021 | Final 2022 | Final 2023* |
|---|---|---|---|---|---|
| Attachment Point | $20,000 | $20,000 | $20,000 | $20,000 | $15,000-$20,000 |
| Coinsurance Rate | 80% | 80% | 80% | 80% | 80% |
| Cap | $250,000 | $250,000 | $250,000 | $250,000 | $250,000 |
| Dampening Factor | .800 | .785 | .760 | .805 | Yes |

*Final 2023 attachment point and dampening factor to be set by the Insurance Commissioner

# SRP Key Dates

| Date | Responsible | Activity |
|---|---|---|
| **Current Waiver Activities** | | |
| July 18, 2022 | MHBE Board | Set final 2023 SRP parameters. |
| September 2022 | MHBE Staff | Issuers receive SRP payments for 2021 claims experience |
| **Second Waiver Application Activities** | | |
| September 2022 | MHBE Staff | Draft letter of intent for new 1332 Waiver Period |
| October 2022 | MHBE Board | Approve MHBE to submit letter of intent to the federal government |
| November 2022 | MHBE Staff | MHBE submits letter of intent to the federal government |
| February 2023 | MHBE Staff | MHBE submits waiver application to the federal government |
| March-June 2023 | MHBE Staff | MHBE works with CMS to get application approved |
| January 1, 2024 | | New 5-year waiver period begins |

# Small Business & Nonprofit Health Insurance Subsidies Program Workgroup Update

September 8, 2022

# Workgroup Objectives

SB 632 - Small Business and Nonprofit Health Insurance Subsidies Program - Workgroup

1. "...**study and make recommendations** relating to the establishment of a Small Business and Nonprofit Health Insurance Subsidies Program to provide subsidies to small businesses and nonprofit employers and their employees for the purchase of health benefit plans."
2. **Submit report** on findings & recommendations to the Governor, Senate Finance Committee, House Health & Government Operations Committee by **October 1, 2022**

# Members

| Member | Affiliation |
|---|---|
| **Glenn Arrington** | Insurance Producer |
| **Neil Bergsman** | MD Nonprofits |
| **David Brock** | Aetna |
| **Dana Davenport** | Association of Community Services of Howard County |
| **Janet Ennis** | Maryland Insurance Administration (MIA) |
| **Jon Frank*** | Insurance Producer |
| **Bruce Fulton** | Neighbor Ride |
| **Amber Hyde** | All About Benefits, LLC |
| **Stephanie Klapper** | Maryland Citizens' Health Initiative |
| **Mark Kleinschmidt** | Anne Arundel County Chamber of Commerce |
| **Jamal Lee** | Breasia Productions |

| Member | Affiliation |
|---|---|
| **Lane Levine** | A Friendly Bread |
| **Allison Mangiaracino** | Kaiser Permanente |
| **Robert Morrow** | UnitedHealthcare |
| **Henry Nwokoma** | MIA |
| **Trina Palmore** | Solomon's Financial Group |
| **Deb Rivkin** | CareFirst |
| **Sandy Walters** | Kelly Benefits |
| **Rick Weldon*** | Frederick County Chamber of Commerce |

*** Indicates co-chair**

# Key Discussion Topics

- Objectives and target metrics for the program
- The scope and design features of the subsidy program
  - Whether subsidies under the Program should be available for the purchase of qualified health plans on and off Exchange
  - Subsidy eligibility and payment parameters
  - The administrative structure and infrastructure investments required for implementation of the Program
  - Duration of the Program
- Cost to administer the Program, including sources and levels of funding needed to support the Program

# Subsidy Design Options

| Design Options | Traditional Small Business (Option 1) | Additional State Subsidy (Option 2) |
|---|---|---|
| Plan design | Group plan(s) chosen by employer | Employees shop for individual plans with Additional State Subsidy |
| APTC | Employee does not qualify for APTC unless plan is unaffordable | Employees can keep APTC |
| Employer Contribution | Employer's choice/discretion; tax deductible business expense. Employee contribution tax free under Section 125 | Not tax-advantaged for employer. Employee may owe taxes on additional subsidy. |
| Plan year start | 1st of any month. | Open Enrollment & SEP |
| Simplicity | Follows existing small group protocols in place with insurers. Employer maintains plan eligibility & compliance | Carriers, TPAs & Small Businesses have concerns but can implement this option. Employer maintains plan eligibility & compliance |

# Next Steps

- Narrowing down workgroup recommendations
- 2 meetings remaining
- Draft of final report will be presented to co-chairs & members for review
- Submit final report to legislature by October 1, 2022.

# Questions

# No Surprises Act Presentation

# Public Comment