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# 2016 Qualified Health and Dental Plan Seal of Approval

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# Goals for the 2016 Seal of Approval



***Our primary goal for the 2016 Seal of Approval (SoA) is to simplify the consumer shopping experience by offering relatively fewer plan choices, thereby further empowering consumers to find the plan that best fits their needs.***

- As part of the 2016 SoA, Health Connector staff propose several key changes to the Qualified Health Plan (QHP) and Qualified Dental Plan (QDP) product shelves to facilitate health and dental plan selection while also reducing administrative burdens on both participating carriers and the Health Connector's staff and business partners
  - To achieve this outcome, we propose to eliminate 2 standardized plan designs from our required health plan product shelf and overall limit the total number of non-standardized or alternative network health and dental products available through the Health Connector
  - We also propose to standardize certain operational policies to increase efficiency and improve consumer experience
- In addition to the above major elements of this year's SoA, we are also proposing requirements geared towards cost-containment in the ConnectorCare program as well as compliance with the latest guidance from the Centers for Medicare and Medicaid Services (CMS)

# **Qualified Health Plan Proposal**

# Review of 2015 QHP Product Shelf



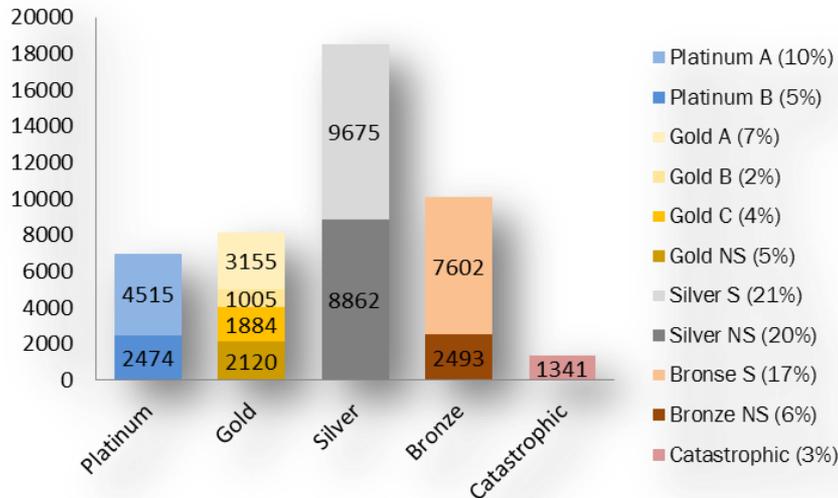
***Health Connector staff propose eliminating two of the previously required standardized plans and instituting an overall cap of no more than 14 plans offered per carrier.***

- The 2015 SoA rules required carriers to offer 7 standardized plans and permitted them to offer up to 7 non-standardized plans without limitation on the number of allowable network variations on any plan design
  - This unlimited product shelf results in carriers offering as few as 7 plans and as many as 30, though notably there is no cap on the number of plans allowable under the rules
- Today, 11 carriers participate in the Health Connector’s QHP shelf, offering 126 QHPs (including Catastrophic Plans) comprising standardized and non-standardized benefit designs on varying networks
  - 104 Standardized plans, including the same plan offered on multiple networks
  - 22 Non-standardized plans, similarly offering single plan designs on multiple networks
- For 2016, we recommend reducing the number of standardized plan designs and placing a cap on the total number of plans a single carrier may offer to make it easier for consumers to navigate our product shelf while reducing the operational burden on both the Health Connector and participating carriers

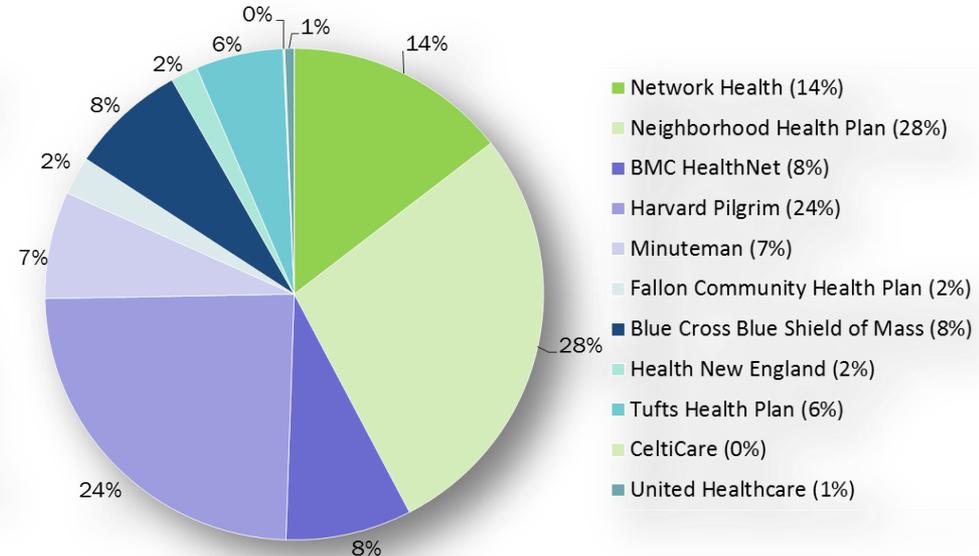
# Review of 2015 QHP Product Shelf (cont'd)

*Looking at the 2015 benefit year to date, the Health Connector's non-ConnectorCare non-group population is overwhelmingly attracted to the Silver tier; thereafter, Bronze leads with Gold and Platinum following, respectively.*

**All Non-group Enrollment by Tier,  
Standard vs. Non-standard**



**Unsubsidized & APTC-only  
Enrollment by Carrier**



# 2016 QHP Standardized Plan Parameters



*Eliminate*

*Eliminate*

*De-Standardize*

Plan Feature/ Service <i>A check mark (✓) indicates that this benefit is subject to the annual deductible</i>	Cost-Sharing							
	PLAT A	PLAT B	GOLD A	GOLD B	GOLD C	SILVER	BRONZE*	
Annual Deductible (family = 2x)	N/A	\$500	\$500	\$1,000	\$1,500	\$2,000	\$2,000	
	N/A	\$1,000	\$1,000	\$2,000	\$3,000	\$4,000	\$4,000	
Annual Out-of-Pocket Maximum (family = 2x)	\$2,000	\$1,500	\$3,000	\$5,000	\$5,000	\$6,350	\$6,350	
	\$4,000	\$3,000	\$6,000	\$10,000	\$10,000	\$12,700	\$12,700	
PCP Office Visits	\$25	\$20	\$20	\$30	\$25	\$30	\$50 ✓	
Specialist Office Visits	\$40	\$35	\$35	\$45	\$40	\$50	\$75 ✓	
Emergency Room	\$150	\$100 ✓	30% ✓	\$150 ✓	\$150 ✓	\$350 ✓	\$750 ✓	
Inpatient Hospitalization	\$500	\$0 ✓	30% ✓	\$500 ✓	\$250 ✓	\$1,000 ✓	\$1,000 ✓	
High-Cost Imaging	\$150	\$100 ✓	30% ✓	\$200 ✓	\$150 ✓	\$400 ✓	\$1,000 ✓	
Outpatient Surgery	\$500	\$0 ✓	30% ✓	\$250 ✓	\$250 ✓	\$750 ✓	\$1,000 ✓	
Prescription Drug	Retail Tier 1	\$15	\$15	\$15	\$20	\$15	\$20	\$30 ✓
	Retail Tier 2	\$30	\$25	50% ✓	\$30	\$25	\$40	50% ✓
	Retail Tier 3	\$50	\$45	50% ✓	\$50	\$50	\$70	50% ✓
	Mail Tier 1	\$30	\$30	\$30	\$40	\$30	\$40	\$60 ✓
	Mail Tier 2	\$60	\$50	50% ✓	\$60	\$50	\$80	50% ✓
	Mail Tier 3	\$150	\$135	50% ✓	\$150	\$150	\$210	50% ✓
<b>2016 Final FAVC</b>	91.18%	89.03%	80.96%	81.84%	80.00%	70.68%	<b>66.77%</b>	
<b>Percent Enrolled Population**</b>	<b>10%</b>	<b>5%</b>	<b>7%</b>	<b>2%</b>	<b>4%</b>	<b>21%</b>	<b>17%</b>	

\* Note: Plans offered on the Bronze tier must be HSA compatible; and while the standardized version of this plan will be eliminated for 2016, it will be replaced by required non-standardized offerings

\*\* Note: Data good through March 9, 2015; percentages do not add up to 100% because they do not include non-standardized plan enrollment and catastrophic enrollment

# 2016 QHP Product Shelf Requirements



## ***Standardized Plans (Non-Group & Small Group Requirement)***

- We propose to eliminate the standardized Platinum B and Gold C plans from the required shelf
  - The remaining shelf retains each of the most popular plan designs at Platinum and Gold while preserving a logical choice of deductibles (e.g., \$0, \$500, \$1,000 and \$2,000)
- As such, carriers will only be required to propose, on their broadest commercial network, 1 standardized Platinum plan, 2 standardized Gold plans and 1 standardized Silver plan
  - Carriers may propose 1 additional version of each plan offered on a different network (e.g., narrower or tiered) for a maximum of 8 possible standardized plans offered

## ***The Bronze Tier (Non-Group & Small Group Requirement)***

- We propose to eliminate the standardization requirement on the Bronze tier and recommend instead that carriers be permitted to submit Bronze plans of their own design for our consideration
  - As noted on the prior slide, the current standardized Bronze plan exceeds the allowable actuarial value (AV) limitation (60% +/- 2%) for that tier, resulting in the need to revisit the plan design
- As such, carriers will be required to propose 1 Bronze plan of their own design on their broadest commercial network (albeit with the option to rescind their offer if we receive a sufficient number of Bronze plans by zip code)
  - Carriers will be permitted to propose 1 additional version on a different network for a maximum of 2 possible Bronze plans

# 2016 QHP Product Shelf Requirements (cont'd)



## ***Catastrophic Plans (Non-group-Only Requirement)***

- Similar to 2015 SoA requirements, carriers will again be required to offer 1 Catastrophic plan, but will be permitted to offer this plan on any network
  - Carriers will again have the option to withdraw their proposed Catastrophic plan if we receive a sufficient number of Catastrophic plans by zip code (*note: for 2015, 3 carriers exercised this option*)

## ***Non-standardized Plans (Non-Group & Small Group Requirement)***

- As noted previously, carriers were permitted to offer up to 7 non-standardized plans for the Health Connector's consideration in the 2015 SoA with any number of additional network variations
- For the 2016 SoA, we recommend this option be limited to 3 non-standardized plans, inclusive of network variation limitations
- Specifically, carriers will be permitted to offer each of these plans on any of their networks (*i.e.*, there is not a broadest network requirement for the non-standardized shelf), but if they choose to offer one plan design on more than one network, each additional network will count to their maximum of 3 allowable non-standard plans

**Example:** Carrier A proposes to offer 1 non-standard plan design on 3 different networks; Carrier A has used up all 3 of its allowable non-standard plans on a single plan design

**Example:** Carrier B proposes to offer 2 non-standard plan designs, the first on its broadest commercial network, and the second on both its broadest commercial network and on its narrower network; Carrier B has used up all 3 of its allowable non-standard plans on two plan designs

# 2016 QHP Product Shelf Requirements (cont'd)



## *ConnectorCare Plans (Non-group-Only Requirement)*

- As in the 2015 SoA, all carriers are required to offer a “wrap compatible” Silver plan that can serve as the base plan to be additionally subsidized by the Commonwealth for individuals earning at or below 300% FPL and eligible for tax credits
  - Must be the carrier’s lowest cost Silver plan in the event the carrier offers more than 1 Silver plan design or Silver network
  - May be offered on any network, and may be offered on a special network only available on the Silver tier that is otherwise broader than the carrier’s typically broadest commercial network
- For 2016, we propose lifting any restrictions on the types of cost-sharing designs that may be featured in a carrier’s “wrap compatible” Silver plan, to encourage carriers to contain costs on the Silver tier and for the ConnectorCare program
  - Historically, the Health Connector precluded “wrap compatible” Silver plans from employing co-insurance out of concern that use of such a cost-sharing feature would pose challenges in the reconciliation of cost-sharing reductions; however, inclusion of co-insurance no longer presents a barrier now that the process for administration and reconciliation has been fully defined by the federal government
  - In addition, we now have the ability for members enrolled in ConnectorCare to switch out of an underlying Silver plan with co-insurance through a qualifying event if they become ineligible for ConnectorCare, mitigating concerns about lower-income consumers being subject to potentially high, unanticipated co-insurance payments

# 2016 QHP Product Shelf Requirements (cont'd)



## *Standardized Shopping Deadlines (Non-Group & Small Group Requirement)*

- The Health Connector simplifies shopping for individuals and families by requiring all participating carriers to conform to a single shopping deadline (for both plan selection and initial premium payment) and maximizes the opportunities to access new coverage by setting this date as close to the end of the month as operationally feasible – the 23<sup>rd</sup> of each calendar month
- On the small group side, however, shopping deadlines vary by carrier, with carriers permitted to close shopping either 5 or 10 business days prior to the end of the month
  - Four carriers currently close shopping 10 business days prior to the 1<sup>st</sup> of the month, resulting in a limited number of options for a small employer shopping after this date, but before the close of shopping for a given month
- To minimize consumer confusion and ensure access to all plans for the maximum amount of time possible each calendar month, we propose for the 2016 SoA to require all carriers to align to a single shopping deadline – in sync with the non-group shelf on the 23<sup>rd</sup> of each calendar month
  - By moving to a single close of shopping date, the Health Connector reduces administrative burdens on the SHOP vendor and Health Connector staff, consumer confusion and the number of “exception” requests from groups that have missed the earlier deadline

# **Qualified Dental Plan Proposal**

# Review of 2015 QDP Product Shelf

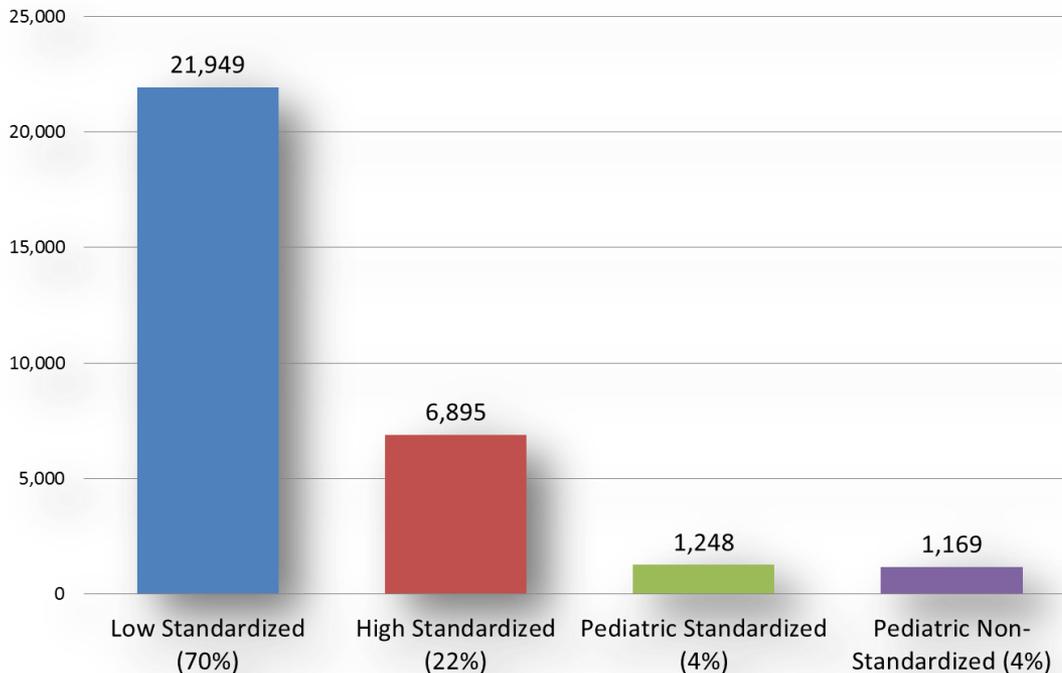


- The 2015 SoA rules required carriers wishing to offer coverage through the Health Connector to offer 3 standardized plan designs for sale on either the Health Connector's non-group or small group shelves, or both
  - Carriers offering dental plans in the non-group market outside of the Health Connector were required to at least propose plans for the Health Connector's non-group segment
  - Likewise, carriers offering dental plans in the small group market outside of the Health Connector were required to at least propose to offer plans to the Health Connector's small group segment
- Today, 5 carriers participate in the Health Connector's QDP shelf, offering 24 QDPs comprising standardized and non-standardized benefit designs on varying networks
  - 19 Standardized plans, including the same plan offered on multiple networks
  - 5 Non-standardized plans, similarly offering single plan designs on multiple networks

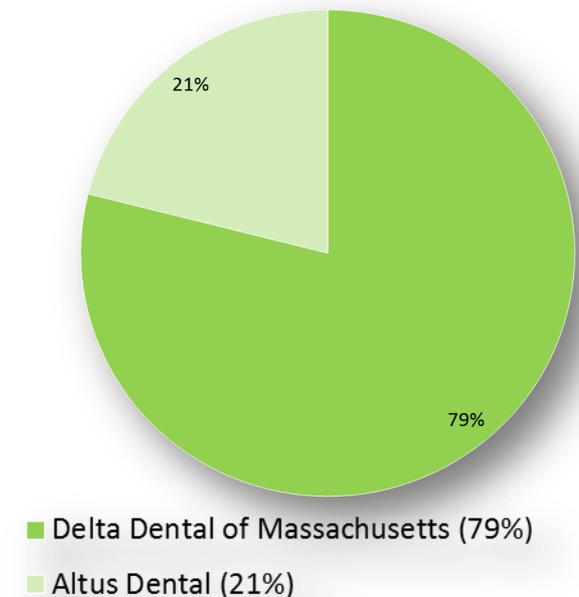
# Review of 2015 QHP Product Shelf (cont'd)

*Looking at the 2015 benefit year to date, the Health Connector's non-group dental population is overwhelmingly attracted to the Family Low standardized benefit design.*

**All Non-group Enrollment by Benefit Design,  
Standard vs. Non-standard**



**Qualified Dental Plan  
Enrollment by Carrier**



# 2016 QDP Standardized Plan Parameters



PLAN FEATURE/ SERVICE	PEDIATRIC DENTAL EHB	FAMILY HIGH	FAMILY LOW
Plan Year Deductible	\$50	\$50/\$150	\$50/\$150
Deductible Applies to:	Major and Minor Restorative	Major & Minor Restorative	Major & Minor Restorative
Plan Year Max (>=19 only)	N/A	\$1,250	\$750
Plan Year MOOP <19 Only	\$350 (1 child)	\$350 (1 child)/ \$700 (2+ children)	\$350 (1 child)/ \$700 (2+ children)
Preventive & Diagnostic Co-Insurance In/out-of-Network	0%/20%	0%/20%	0%/20%
Minor Restorative Co-Insurance In/out-of-Network	25%/45%	25%/45%	25%/45%
Major Restorative Co-Insurance In/out-of-Network	50%/70%	50%/70%	50%/70% No Major Restorative >=19
Medically Necessary Orthodontia, <19 only, In/out-of-Network	50%/70%	50%/70%	50%/70%
Non-Medically Necessary Orthodontia, <19 only, In/out-of-Network	N/A	N/A	N/A

\* Note: Consistent with the 2015 SoA, carriers that are unable to achieve the requisite AV for the Standardized Plans may leverage the Health Connector's actuarial attestation

# 2016 QDP Product Shelf Requirements



- For the 2016 SoA, carriers will continue to be required to offer 1 Pediatric Dental EHB Plan, 1 “High” Dental Plan and 1 “Low” Dental Plan (*i.e.*, 3 standardized plans)
  - Plans may be offered on any network type and carriers may offer a single plan design on multiple networks
- To manage the overall number of QDPs available through the Health Connector, we are proposing a cap on the number of non-standard plans a carrier may offer to no more than 3
  - Currently, no carrier offers more than 3 non-standard QDPs
  - Carriers will, however, be able to offer each of these non-standardized plan designs on multiple networks, without limitation

# **Certification Criteria**

# Key Certification Criteria



- In addition to compliance with the product shelf and other programmatic requirements, responding carriers are also required to satisfy each of the certification elements outlined below (changes to requirements for 2016 are highlighted in orange text)

High Level Criteria	Key QHP Certification Elements	CCA	DOI
Carrier qualifications	Licensure		X
	Solvency		X
	State Accreditation		X
	Federal/Exchange Accreditation	X	
Product/benefit design	Cover all Essential Health Benefits (EHBs)		X
	Comply with all state and federal requirements		X
	Non-discriminatory plan designs		X
Premium and rating methodology	Obtain applicable regulatory approval		X
	Identification of lowest cost Silver plan(s)	X	
Network adequacy	Must meet defined network adequacy standards (ConnectorCare only)	X	X
	<b>Must include sufficient number of Essential Community Providers (ECPs)</b>		<b>X</b>
	Must meet defined Service Area Standards	X	
Marketing	Must comply with state marketing law(s)		X
Quality Standards	<b>Must meet federal requirements re: Quality Improvement Survey work</b>	<b>X</b>	
	<b>Compliance with enrollee satisfaction survey and quality reporting standards</b>	<b>X</b>	

# Next Steps

# Next Steps: the 2016 Seal of Approval Timeline

