Creating Colorado's Standardized Plan

Meetings Designed to Address Specific Stakeholder Groups and Concerns

Colorado Division of Insurance

Michael Conway, Commissioner

COLORADO
Department of Regulatory Agencies
Division of Insurance

Opening Remarks and Introductions

- Introductions of Division staff
- Introductions from attendees
- Opening remarks from Commissioner Conway

Intended Outcomes for Today

- Understand community and stakeholder group feedback on specific questions

What is a standardized plan?

- A common plan to make comparisons on quality, network, and price among insurance companies easier.
  - Same cost-sharing and plan design among all carriers
  - Apples-to-apples comparison for consumers
  - Currently offered by seven (7) states and D.C.
- Cover 10 Essential Health Benefits (EHBs)
- Designed to improve racial health equity

Colorado's Standardized Plan

- All carriers in individual and small group must offer the plan.
- Colorado's Standardized Plan must:
  - Offer Gold, Silver, and Bronze Coverage;
  - Cover Essential Health Benefits, including pediatrics;
  - Have a defined benefit structure and cost sharing that improves access and affordability; and
  - Be designed to improve racial health equity and reduce racial health disparities.

Colorado's Standardized Plan (cont.)

- "Designed to improve racial health equity and decrease racial health disparities...including:"
  - Improving perinatal health care coverage
  - Providing first dollar coverage for high value services (PC and BH)
  - Having a network that
    - is culturally responsive
    - representative of the community it serves
    - no more narrow than most restrictive network the carrier is offering in the same area and same metal tier

COLORADO
Department of Regulatory Agencies
Division of Insurance

Which essential health benefits should the standardized plan incentivize?

Essential Health Benefits

- Ambulatory patient services (outpatient care you get without being admitted to a hospital)
- Emergency services
- Hospitalization (like surgery and overnight stays)
- Pregnancy, maternity, and newborn care (both before and after birth)
- Mental health and substance use disorder services, including behavioral health treatment (this includes counseling and psychotherapy)
- Prescription drugs
- Rehabilitative and habilitative services and devices (services and devices to help people with injuries, disabilities, or chronic conditions gain or recover mental and physical skills)
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care (but adult dental and vision coverage aren't essential health benefits)

Which services are most important to you?

Lower Premium vs. Lower Cost sharing? Which is most important?

What health benefits and services do you think are “high value?”

When looking for a doctor or other provider, what do you look for?

What barriers to care might the standardized plan might try to address?

What will make the standardized plan something people want to buy?

Public Comments/Questions?

Contact Information:

Kyle Brown

Deputy Commissioner, Affordability Programs

303.349.7421

kyle.m.brown@state.co.us

Next Meeting:

- Thursday, September 9th from 11:30 AM - 1 PM
- Racial Equity and Plan design
- Use the same GoToWebinar link to register

How to Engage:

- Website
- Email: dora_ins_co_option@state.co.us
- Google forms for future meetings
- Meetings (public comment period)

COLORADO
Department of Regulatory Agencies
Division of Insurance

Appendix

Distribution by Category of Service (Silver)

- Rows highlighted blue reflect those with the highest portion of costs
- Rows highlighted orange reflect significant differences in data underlying the different models.
- The distribution of costs by metal level varies slightly, but is similar to the Silver metal distribution here and the differences between the AVC and WPM are consistent

	Silver Metal Level
Category of Service	**CY2022 AVC**
Medical	
Emergency Room Services	6.7%
All Inpatient Hospital Services (inc. MHSU)	20.8%
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	3.4%
Specialist Visit	4.8%
Mental/Behavioral Health and Substance Use Disorder Outpatient Services	2.6%
Imaging (CT/PET Scans, MRIs)	2.5%
Speech Therapy	0.1%
Occupational and Physical Therapy	1.7%
Preventive Care/Screening/Immunization	2.8%
Laboratory Outpatient and Professional Services	3.1%
X-rays and Diagnostic Imaging	3.8%
Skilled Nursing Facility	0.1%
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	14.0%
Outpatient Surgery Physician/Surgical Services	7.2%
Drugs	
Generics	5.2%
Preferred Brand Drugs	11.5%
Non-Preferred Brand Drugs	2.0%
Specialty Drugs (i.e. high-cost)	8.0%
Total	100.0%

Some services have larger impact on actuarial value and premium

Gold Plan – Example of Cost Sharing Changes

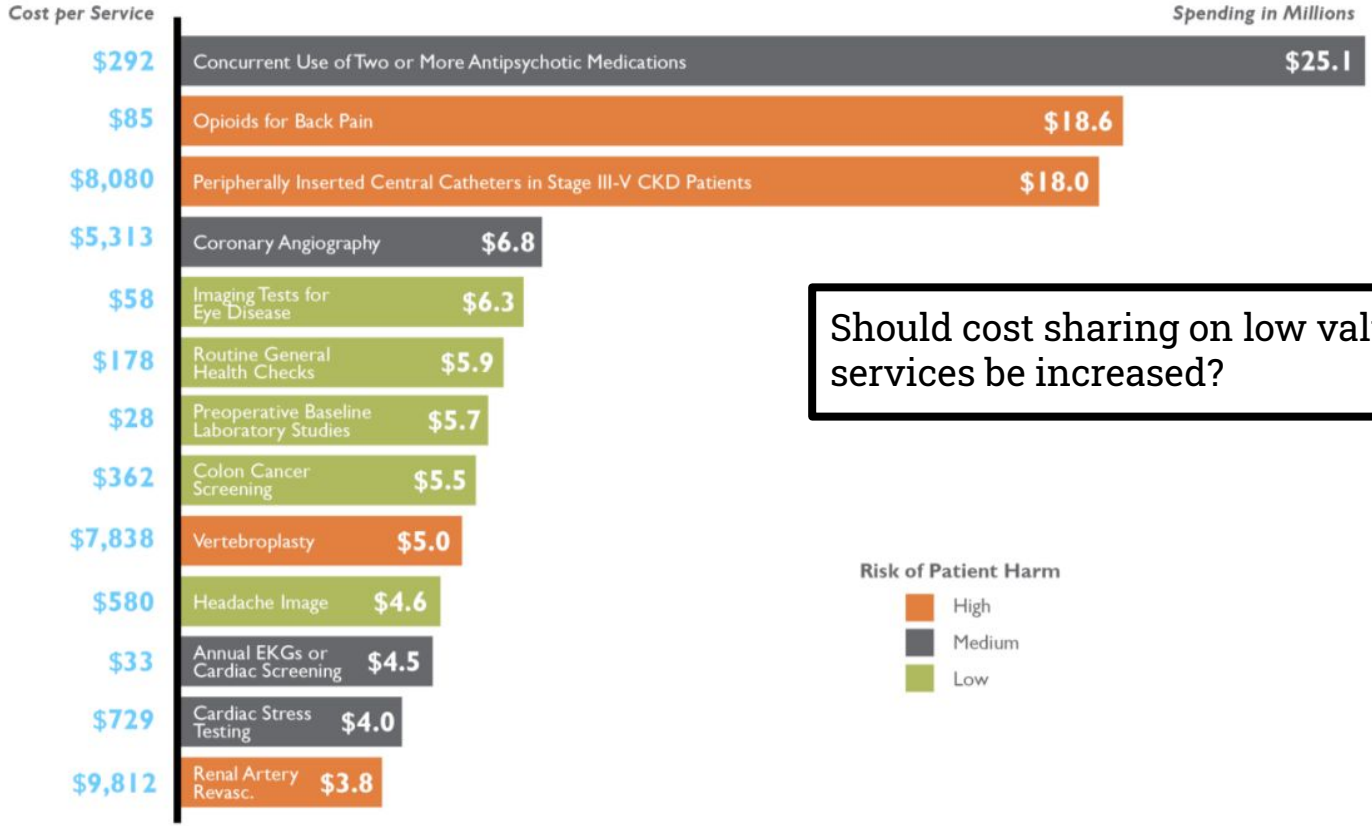
- Only service categories that differed between the examples are shown.
- Reducing the PCP copay $5 with no other changes increases the AV 0.09% in the federal AVC. Reducing the generic copay $5, increased the AV 0.62%.
- In order to offset a reduction in highly utilized services requires larger changes or change across several categories to offset the AV impact.
- The federal AVC shows that the plan design with a reduction to the Generic Drug copay has a slightly higher AV than the other two plans. However, this results in a lower AV based on the WPM.

Category of Service	Original Member Cost Sharing	PCP Example	Generic Drug Example
Plan Design			
Deductible	$0	$0	$0
Maximum Out of Pocket	$7,500	$7,500	$7,500
Medical			
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	$20	$15	$20
Mental/Behavioral Health and Substance Use Disorder Outpatient Services	$20	$20	$20
Imaging (CT/PET Scans, MRIs)	$500	$610	$500
X-rays and Diagnostic Imaging	35%	35%	45%
Drugs			
Generics	$10	$10	$5
Preferred Brand Drugs	$35	$35	$50
Non-Preferred Brand Drugs	$375	$375	$500
Specialty Drugs (i.e. high-cost)	$600	$600	$600
Actuarial Value from the federal AVC	81.61%	81.61%	81.64%
Actuarial Value from the WPM	81.51%	81.58%	81.48%

Small cost sharing changes for high utilized services require large changes in lower utilized services

Thirteen Services Account for Nearly 70% of Total Services and 80% of Total Spending for Low Value Care in 2017

(Colorado All Payer Claims Database, Medicaid, Medicare, Medicare Advantage, Commercial Payers)



Should cost sharing on low value services be increased?

RADO
ıt of
' Agencies
ırance