
Cost Sharing Reduction Program

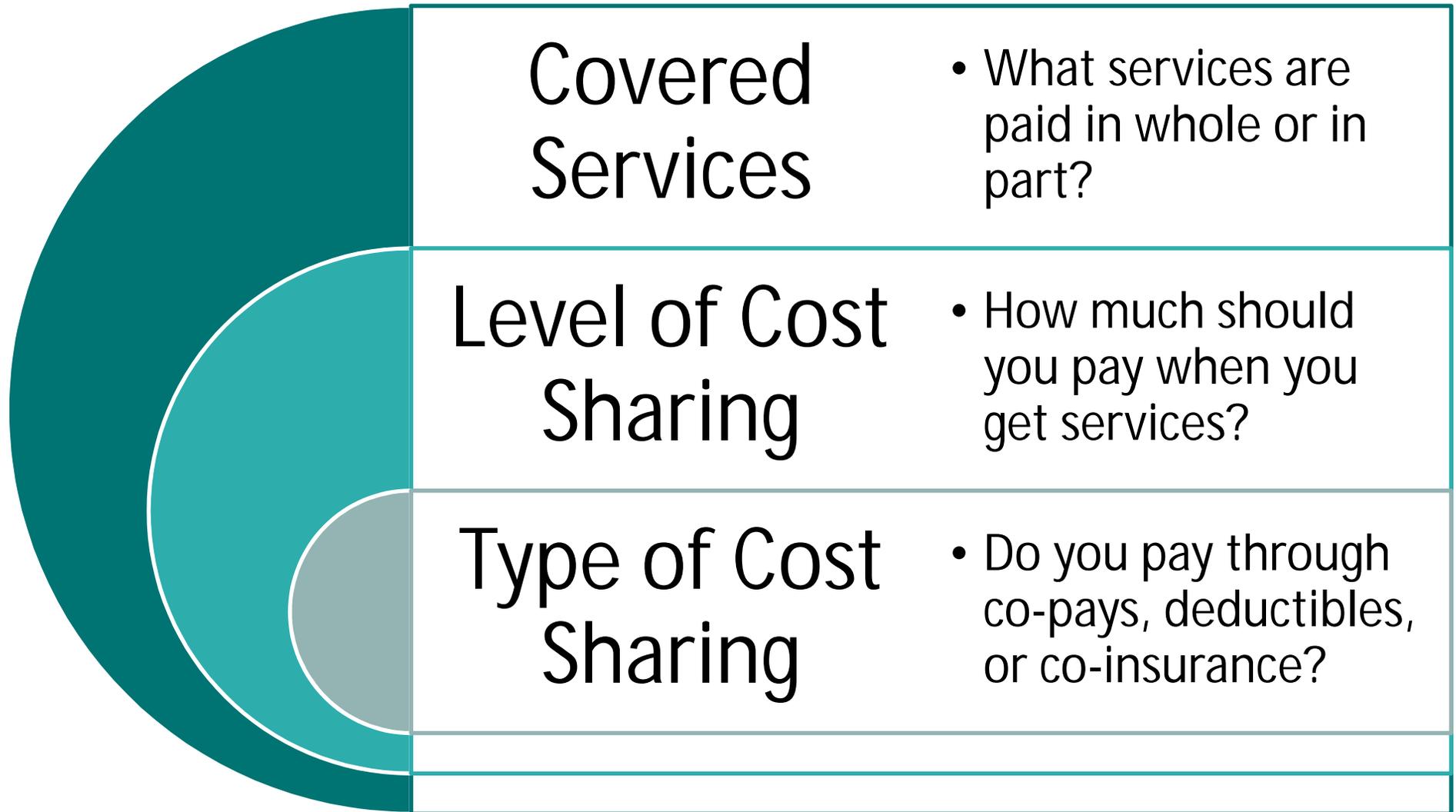
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Discussion for Today

- Brief Background on Benefits
- Cost sharing today
- GMC Benefit Parameters
- Cost sharing recommendations

Benefits Overview



ACA Essential Health Benefits

Essential Benefits include all state mandates and the following services:

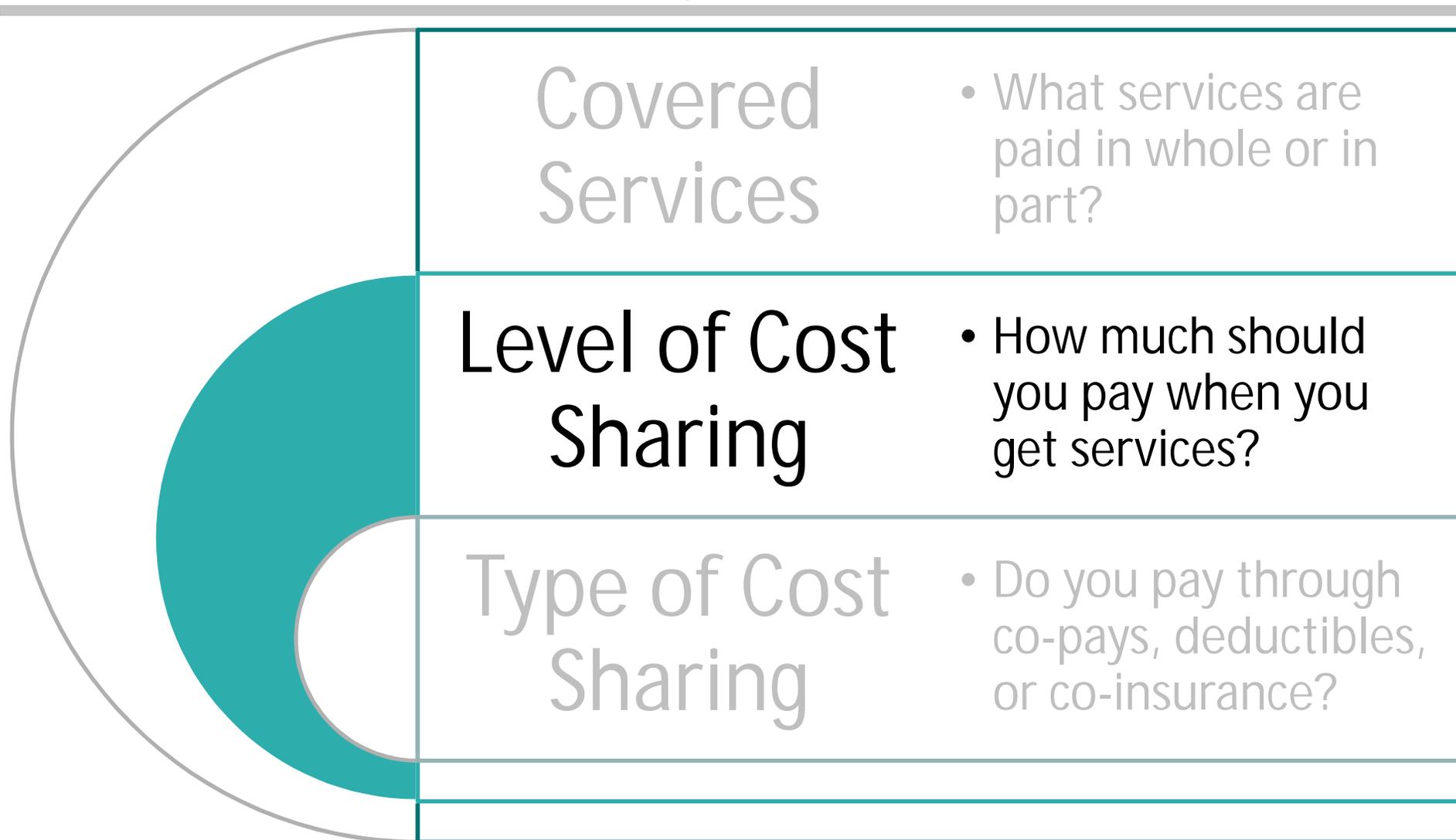
- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services, and chronic disease management
- Laboratory services
- Preventive and wellness services
- Pediatric services, including oral and vision care

COST SHARING TODAY

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Level of Cost Sharing



Level of Cost Sharing

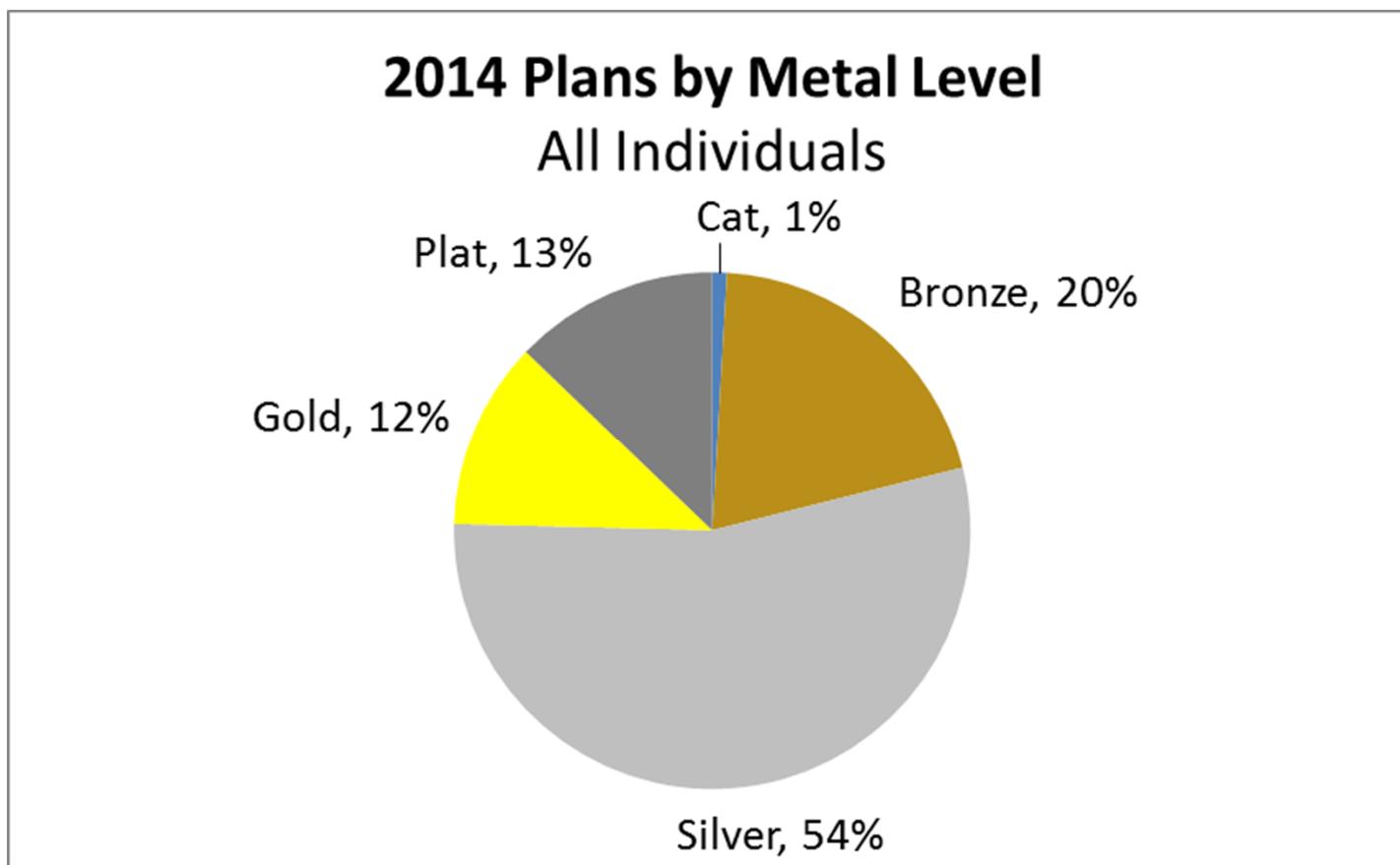
What is cost sharing?

- Cost sharing is the part of the plan that you pay when you receive covered services
- Includes:
 - Deductibles
 - Co-Pays
 - Coinsurance
- Does NOT include
 - Premiums

Level of Cost Sharing

- These different levels of cost sharing are called actuarial value (AV)
- Actuarial value means the total average costs of covered services that your plan will cover
- In a plan with a high AV, you will pay less in co-pays, co-insurance, and deductibles
- A plan with a low AV, you will pay more in co-pays, co-insurance, and deductibles

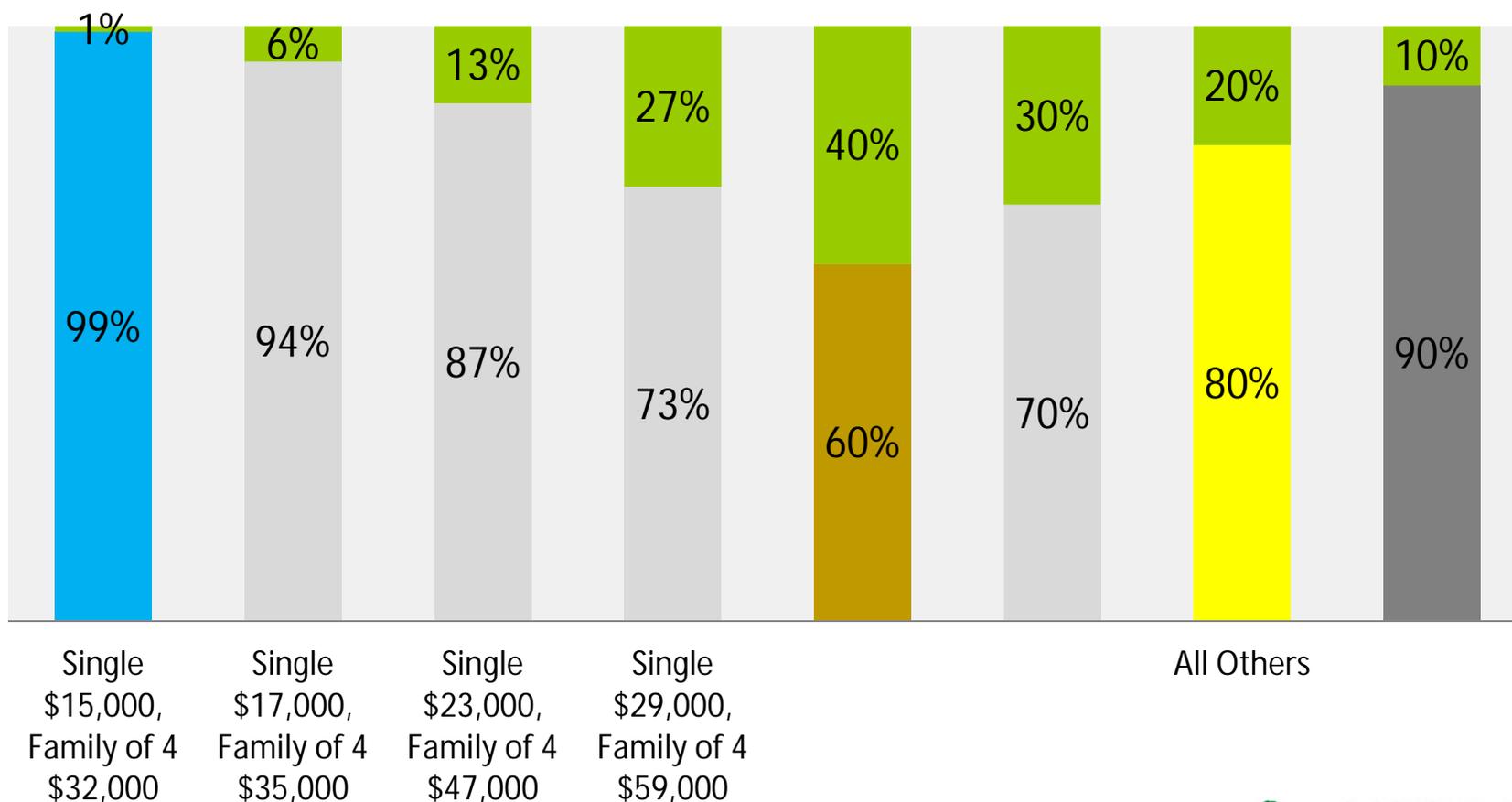
Enrollment by Metal Level



ACA Required Levels of Cost Sharing

Today

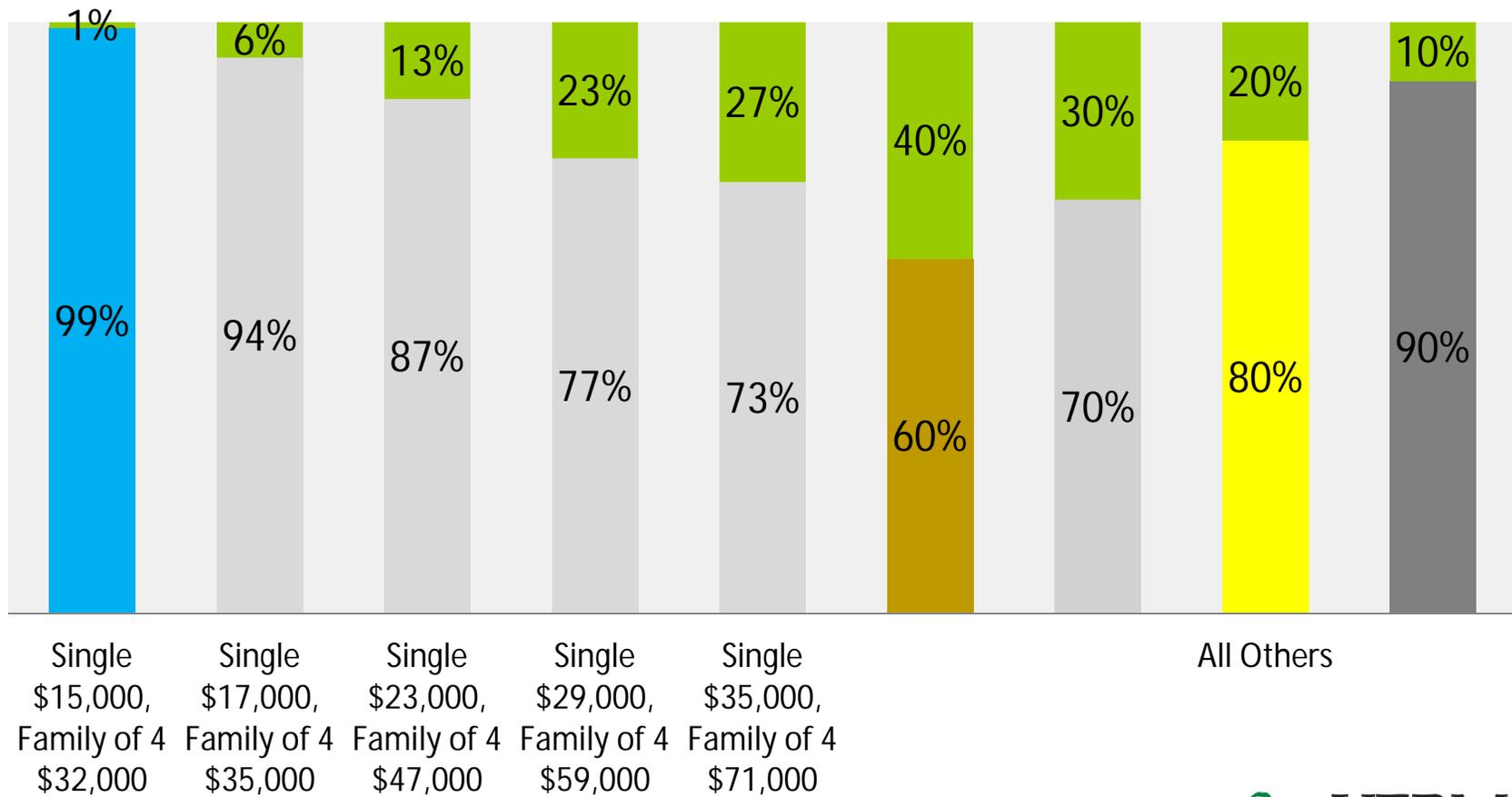
■ Health Plan Pays ■ \$ Paid out of pocket



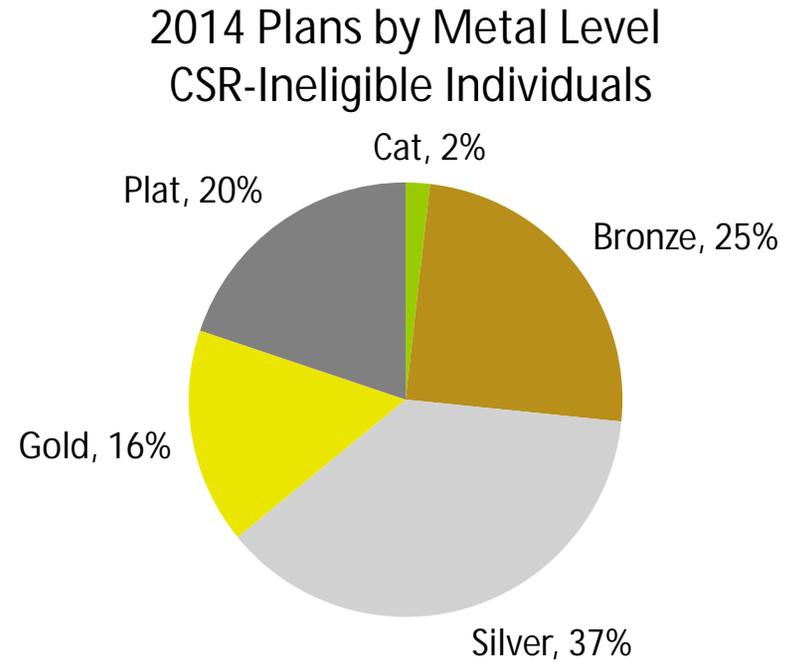
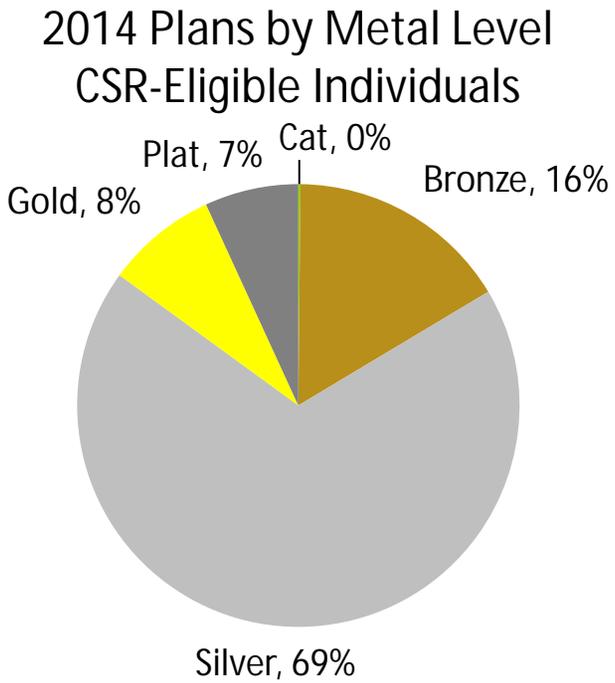
Vermont's Levels of Cost Sharing

Today

Health Plan Pays \$ Paid out of pocket

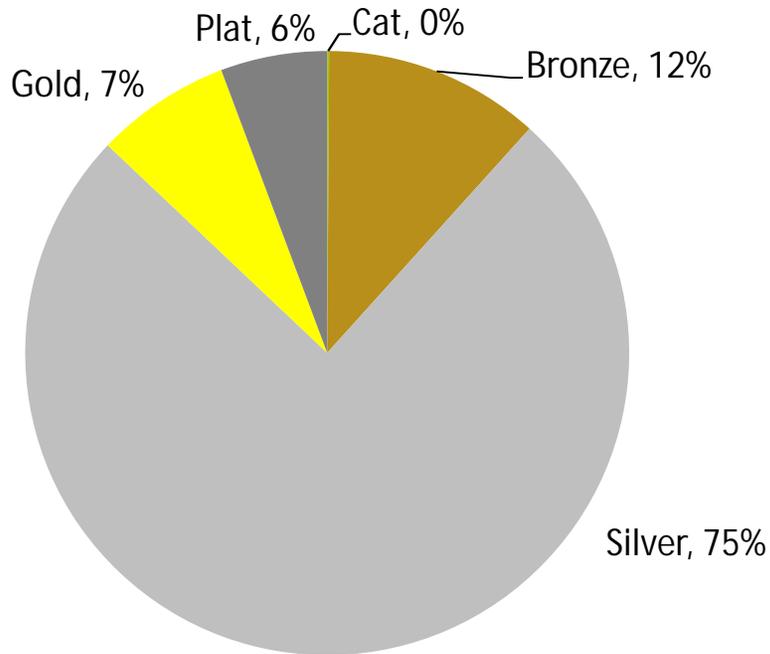


Plan Selection – CSR Eligible vs. Non-Eligible

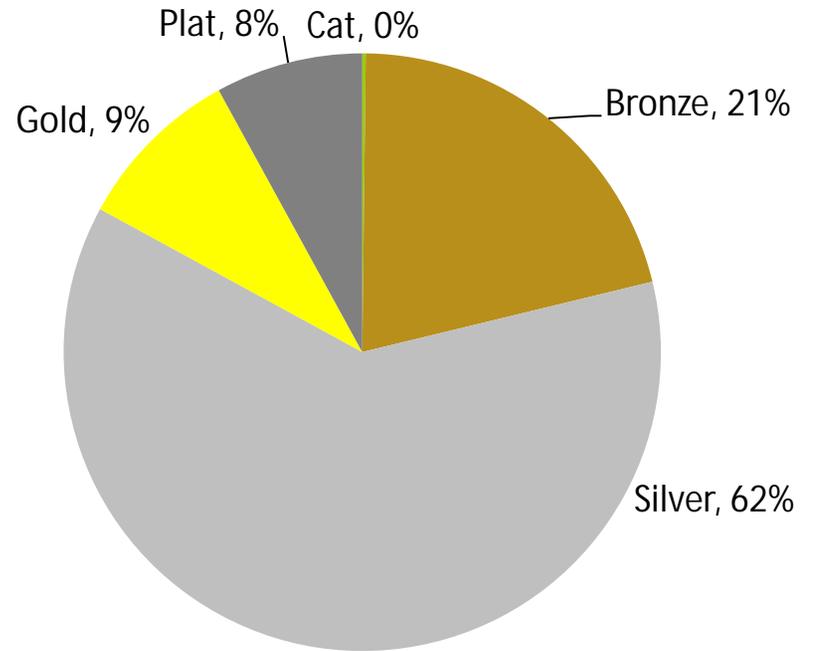


Plan Selection – by CSR Level

2014 Plans by Metal Level
Silver 94 and Silver 87-Eligible Individuals



2014 Plans by Metal Level
Silver 77 and Silver 73-Eligible Individuals



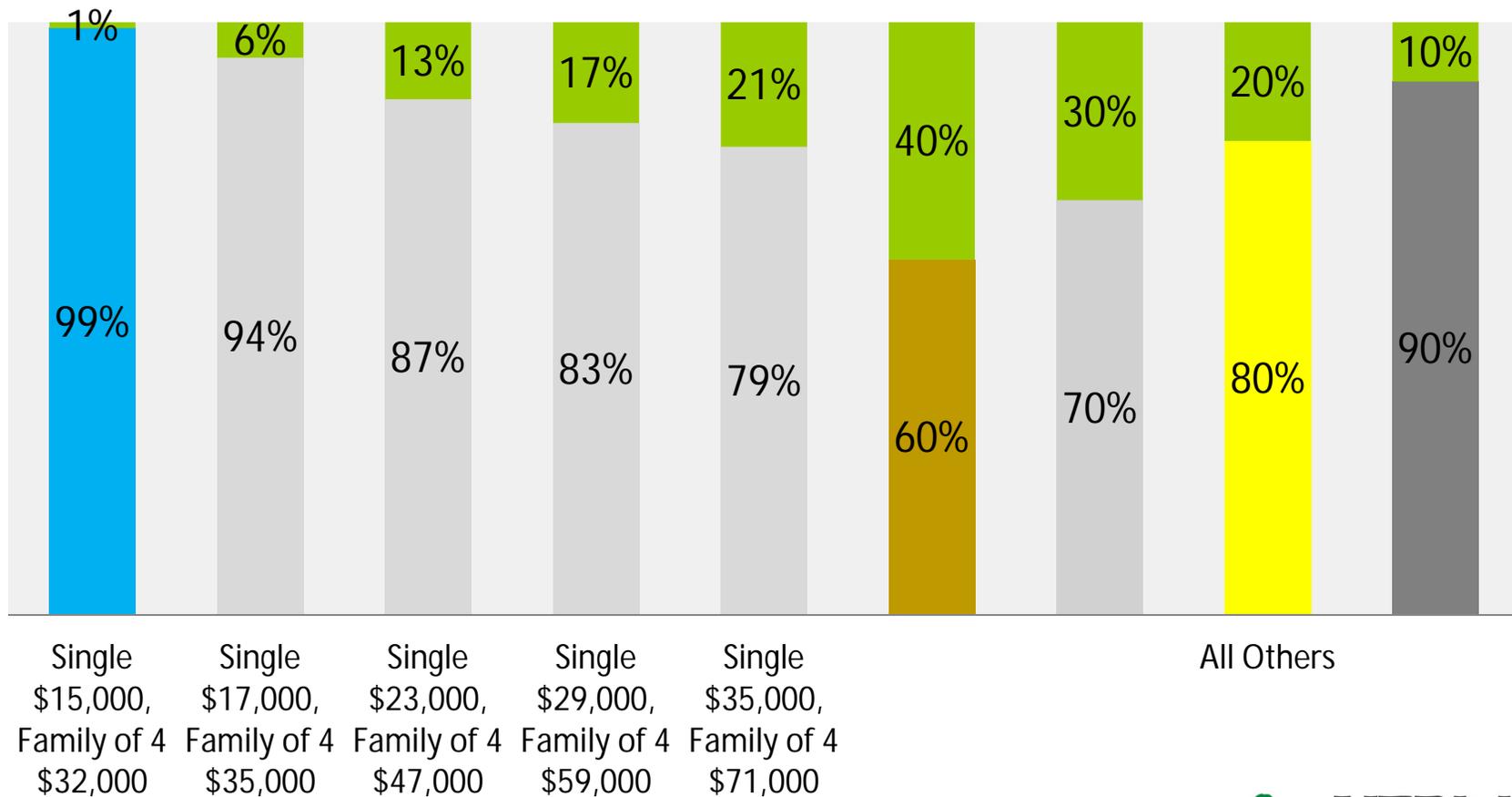
Cost-Sharing Assistance Proposal

Actuarial Value (AV) of Cost Sharing Reduction Plans			
FPL	AV - ACA	AV - Current VT Subsidy	AV – Governor’s Proposal
133-150%	94%	94%	94%
150-200%	87%	87%	87%
200-250%	73%	77%	83%
250-300%	70%	73%	79%

Proposed Levels of Cost Sharing

Proposed

■ Health Plan Pays
 ■ \$ Paid out of pocket



GMC Benefits and Type of Cost Sharing

Covered Services	<ul style="list-style-type: none">• What services are paid in whole or in part by GMC?
Level of Cost Sharing	<ul style="list-style-type: none">• How much should you pay when you get services?
Type of Cost Sharing	<ul style="list-style-type: none">• Do you pay through co-pays, deductibles, or co-insurance?

Type of Cost Sharing

What is a deductible?

- The amount you owe for health care services your health insurance or plan covers before your health insurance or plan begins to pay.
 - Preventive services are covered 100%
 - Deductible may not apply to all services, like primary care physician's visits
- For example, if your deductible is \$1,000, your plan won't pay anything until you've met your \$1,000 deductible for covered health care services subject to the deductible.

Type of Cost Sharing

What is co-insurance?

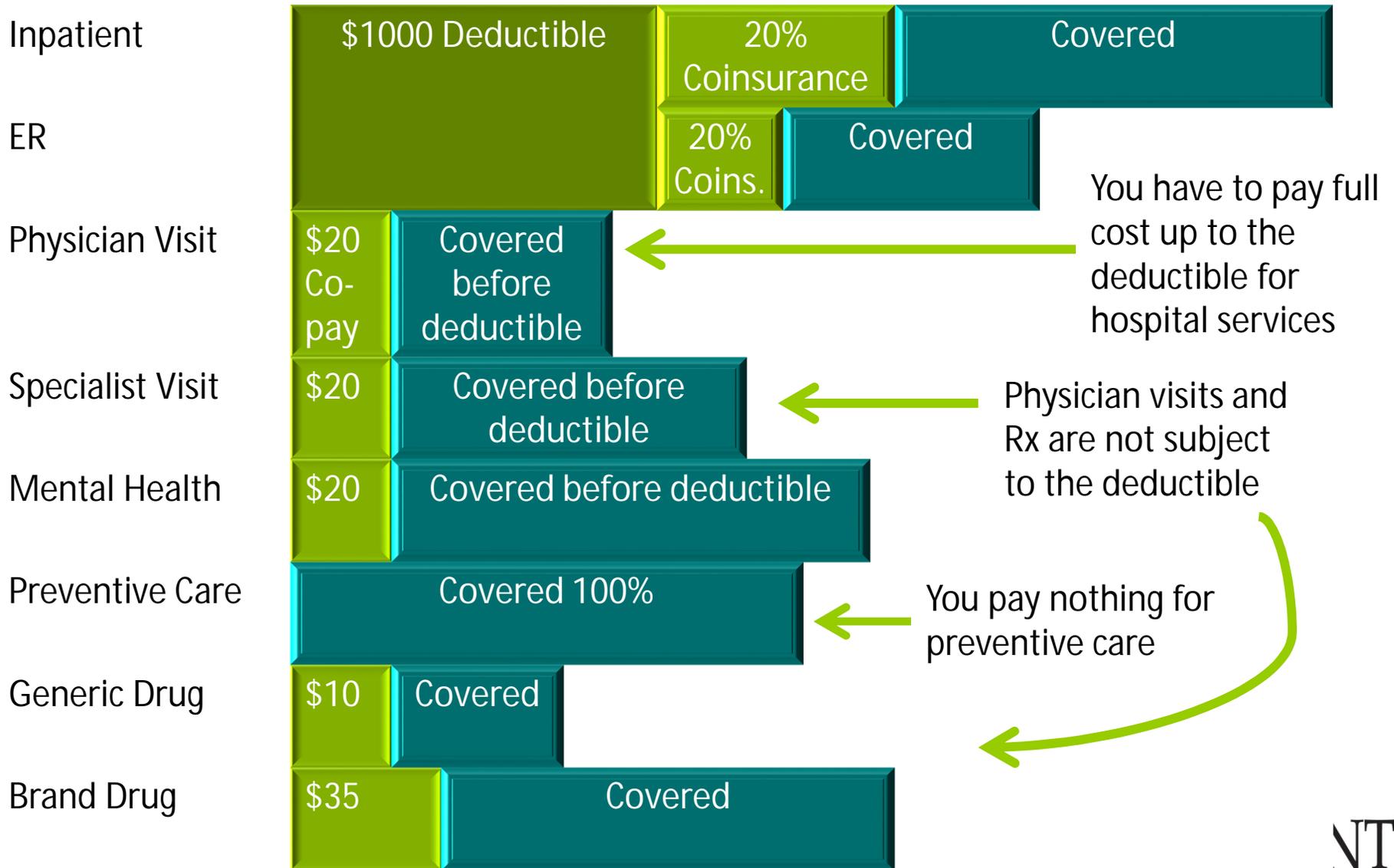
- Your share of the costs of a covered health care service, calculated as a percent (for example, 20%) of the allowed amount for the service.
- For example, if the cost of a hospital service under your health plan is \$1,000, your coinsurance payment of 20% would be \$200. The health insurance or plan pays the rest of the allowed amount.

Type of Cost Sharing

What is a co-pay?

- A fixed amount (for example, \$15) you pay for a covered health care service, usually when you get the service. The amount can vary by the type of covered health care service.

Examples of Cost Sharing



GMC Benefits and Type of Cost Sharing

- Family of four. One child with diabetes. Parent A with cholesterol and high blood pressure meds. Parent B to receive colonoscopy. Other child breaks arm.

	Units	Cost per unit	Allowed Costs	Deductible	Co-pay	Co-ins
PCP Visits	8	\$100	\$800	N/A	\$120	
Diab. meds (generic)	12	\$144	\$1,725	N/A	\$60	
Cholesterol meds	12	\$79	\$950	N/A	\$120	
ER services	1	\$1,100	\$1,100	\$150		
Colonoscopy (preventive)	1	\$4,300	\$4,300	\$0	\$0	\$0
Actual cost			\$450			

Factors Driving VHC Plan Designs

- Federal Law and Regulations
 - Metal Levels & Actuarial Value
 - Out of pocket maximum limits of \$6,600 (2015)
 - Small group plan designs must have deductible no greater than \$2000, although HSA and HRA contributions can be considered

- Vermont prescription drug law
 - Limits out of pocket expenditures for Rx to \$1300 (2015)

- Current market parameters
 - Existing copay only plans are at gold or platinum-equivalent levels

ACA and Vermont Subsidy for Out-of-Pocket Costs – Standard CSR Plans

Medical Deductibles			
FPL	ACA	Current VT Subsidy	Governor's Proposal
133-150%	\$100	\$100	\$100
150-200%	\$600	\$600	\$600
200-250%	\$1,900	\$1,500	\$1,000
250-300%	\$1,900	\$1,900	\$1,250

Medical Out-of-Pocket Maximums			
FPL	ACA	Current VT Subsidy	Governor's Proposal
133-150%	\$500	\$500	\$500
150-200%	\$1,250	\$1,250	\$1,250
200-250%	\$4,000	\$3,000	\$2,250
250-300%	\$5,150	\$4,000	\$2,800

Primary care visits and other preventive medical services are covered without cost sharing

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Out Of Pocket Maximums - 2016

Household Income (% of FPL)	Proposed AV	Plan Design	Med OOP/Rx OOP	% of people hitting Medical OOP Max *	% of people hitting Rx OOP Max *
100-150%	94%	Ded	\$500 / \$200	38%	17%
		HDHP	\$500 / N/A	67%	N/A
150-200%	87%	Ded	\$1,250 / \$400	35%	19%
		HDHP	\$1,150 / N/A	52%	N/A
200-250% (proposed)	83%	Ded	\$2,250 / \$500	24%	16%
		HDHP	\$1,650 / \$1,300	24%	6% - 11%
250-300% (proposed)	79%	Ded	\$2,800 / \$1,000	21%	8%
		HDHP	\$2,600 / \$1,300	14%	7% - 11%
200-250%	77%	Ded	\$3,200 / \$1,000	20%	9%
		HDHP	\$2,700 / \$1,300	19%	8% - 11%
250-300%	73%	Ded	\$4,400 / \$1,200	15%	7%
		HDHP	\$3,800 / \$1,300	12%	8% - 11%

* Percent reaching the OOP maximum is an estimate. Actual percentages will vary, possibly significantly, due to differences in overall plan costs, morbidity of members enrolled in the plans and other cost and utilization factors.

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Questions?
