



Policy Committee Recommendations

Commonwealth Health Insurance Connector Authority
November 30, 2006

Agenda

- Premier Plan
- Minimum Creditable Coverage
- Value Plans
- Preferred Plan Design Features

Premier Plan

- Establishes upper end of Connector plan offerings
- Benchmark plan to which all other offerings are compared
- “First-dollar” coverage with limited out of pocket exposure
- Plan of choice for over one-third of existing small group market

Premier Plan Design	Cost sharing
Est. CY 07 individual premium -- \$486	
Office visits	\$10
Inpatient admission	No charge
Outpatient day surgery	No charge
Emergency room	\$50 (waived if admitted)
Rx benefit	\$10/\$25/\$45
Deductible	None
Lifetime maximum	None

Minimum Creditable Coverage

- Establish insurance floor below which products will not meet requirements of individual mandate
- Offer products that address diverse needs of target market (uninsured and under-insured)
- Offer affordable products that provide protection from unforeseen medical events while promoting preventive care

MA Non-Group Market

- Very limited options
 - HMO or PPO, with or without Rx coverage
- 45,200 lives covered as of 12/31/05
 - > 40% age 50 or older
 - < 20% under age 30
- Over 85% enrolled in HMO products
- 4,500 purchase high deductible PPO
 - \$5,000/\$10,000 deductibles (ind./fam.)

National Non-Group Market

- AHIP non-group survey conducted in 2004
- Broader age distribution than MA market
 - > 35% under age 35
 - < 30% age 50 or older
- 85% enrolled in PPOs
 - Average deductibles ~ \$2,000
 - 20% co-insurance in network
 - 40% co-insurance out-of-network
 - Out-of-pocket maximums between \$3,500 and \$4,000

Minimum Creditable Coverage

- Balance premium affordability with annual deductible
- Encourage pre-deductible preventive care
- Limit maximum out-of-pocket exposure
- Cover core services, including prescription drugs

MCC Exclusions

- Fee schedule based coverage
- Limits per sickness/illness/annual/lifetime
- Must cover prescription drugs

Value Plans

- Offer products currently purchased by majority of the small group market
- Fill product gap between Premier (100%) and Minimum Creditable Coverage (60%)
- Allow for broader range among middle level plans
- 80% (+/- 7.5%) of Premier plan's relative value

Preferred Plan Design Features

- Select, high-performance networks of physicians and hospitals
- Designation of Centers of Excellence
- Innovative Rx management programs
- Consumer engagement
- HSA **option** w/high deductible health plan
- Wellness incentives and medical management programs
- Preventive and flex benefits for chronic conditions