

To: MNSure Board of Directors

From: Consumer and Small Business Advisory Committee

Re: Recommendations related to the MNSure Board's exercise of Active Purchaser Authority

Date: December 4, 2013

The following recommendations related to the MNSure Board's exercise of Active Purchaser authority all passed by majority vote of the members of the Consumer and Small Business Advisory Committee. A summary of the dissenting opinion is included after the recommendations.

We urge the MNSure Board to be mindful of potential unintended consequences of exercising Active Purchaser authority, including the possibility of increased cost, as you consider our recommendations. However, we also believe it is important not to make cost the sole consideration in your deliberations, since in some cases an increase in cost is outweighed by an improvement in coverage.

1. **Affordability:** In order to provide real access to care, health plans need to have affordable premiums and affordable cost-sharing, including cost-sharing for routine care like office visits and prescription drugs. "Affordability" varies widely for different individuals and families depending on income, family make-up, health status, and other circumstances, but for all individuals and families, unaffordable premiums or cost-sharing can lead to financial stress and instability, deteriorating health, and health crises. Current plan offerings on MNSure have the lowest average premiums in the country, but the highest average deductibles, and most MNSure plans limit the number of office visits available for a co-pay before the deductible is satisfied. The Committee is extremely concerned that people who buy plans on MNSure may remain "underinsured," which means they have insurance but can't afford to use it because of high deductibles or other cost-sharing. If premium rates increase significantly in 2015, it will be even more difficult for people to afford higher metal-level plans with lower deductibles, which may result in more people delaying or foregoing the healthcare they need to stay healthy, or sacrificing their financial stability to access care.

Recommendation: MNSure should negotiate with insurance carriers for health plans with affordable premiums and affordable cost-sharing to ensure that every plan on MNSure offers good value, i.e. good coverage for the price. Additionally, MNSure should negotiate with carriers for a range of real choices to fit the needs of different individuals and families, including plans with very affordable premiums, plans with lower deductibles, and plans with low cost-sharing for office visits and prescription drugs, to ensure a full array of good-value products.

2. **Meaningful Choice:** Health insurance plans are extremely complex products with many variables that impact their overall value, including, but not limited to: different individual and family deductibles; different in-network and out-of-network deductibles; embedded and unembedded deductibles; different individual and family out-of-pocket maximums; different co-pay options and co-insurance levels for primary care, specialty care, urgent care, emergency

services, mental health care, diagnostic, lab and x-ray services; different coinsurance for in-patient and out-patient care; and different exclusions and services covered. It is extremely difficult for anyone to understand their choices thoroughly and make meaningful comparisons without a benchmark for comparison, regardless of how the information is presented. This undermines market competition on MNsure, because there can't be true competition unless customers understand their choices. In order for people to make apples-to-apples comparisons between health plans and to promote real competition, the products themselves need to be simpler, with fewer variables and coverage differences.

Recommendations:

- a.** MNsure should define one high-deductible “Model” plan and one robust co-pay “Model” plan at each metal tier and require all participating carriers to offer “Model” plans. “Model” plans would have standardized cost-sharing structures and covered benefits, to eliminate many of the variables that make it difficult to compare plans. Because the coverage would be standard among Model plans of the same metal tier, it would promote competition on price and quality rather than complicated benefit design and tricky loopholes in coverage. Model plans offered by different carriers would still differ by premium, quality rating, and network. Carriers should also be encouraged to continue offering non-Model plans, so that the Model plans wouldn't reduce choices on MNsure.
 - b.** MNsure should provide education to applicants about choosing a health plan that encourages people to look at factors beyond premiums when comparing the value of plans. For instance, it should be made clear that non-Model plans have different covered benefits, and applicants should be given information about how to check whether a plan includes benefits they need, such as dental or optical coverage, chiropractic coverage, etc. Additionally, the MNsure website should direct applicants to other information and tools to help with decision-making, such as the Kaiser Cost Calculator, an out-of-pocket cost estimator, and details about eligibility and coverage in public health care programs. This information should be available in the majority of languages spoken by MNsure applicants.
3. **Reducing Health Disparities:** While Minnesota ranks among the best states in the country for healthcare and overall health outcomes, it also ranks among the highest in racial health disparities, i.e. the difference in healthcare and health outcomes experienced by people of different racial and ethnic groups compared to the white population. The creation of MNsure offers an unprecedented opportunity to address health disparities through innovative strategies and initiatives. Additionally, it is critical to anticipate unintended consequences of large systems changes such as the creation of MNsure, to ensure that they do not increase health disparities by disadvantaging carriers or providers already serving communities affected by health disparities or by reducing the choices available to communities or individuals at risk of health disparities.

Recommendations:

- a)** MNsure should promote equitable plan offerings to all communities by creating a Minnesota-specific risk adjustment model that includes metrics related to social determinants of health such as socio-economic status, race, ethnicity, primary language, sexual orientation and gender identity. This would ensure that carriers that offer services or provider networks that are valuable to populations at risk of health disparities do not experience adverse selection that forces them to raise premiums or cut services. It would also ensure that carriers that offer plans that promote continuity of care for populations that “churn” off of public programs are not disadvantaged by doing so.
 - b)** MNsure should require all participating carriers to contract with provider networks that include a culturally diverse range of providers to meet the needs of all communities in their service area. This would ensure that all MNsure enrollees have fair and adequate access to providers that meet their needs.
 - c)** MNsure should ensure the availability of a transparent and publicized appeals process for enrollees who are unable to access appropriate culturally competent providers in their health plan’s provider network. Cultural competence may include, but is not limited to, expertise relevant to specific communities or individuals because of their socio-economic status, race, ethnicity, primary language, sexual orientation and gender identity. The appeals process should enable enrollees to access out-of-network providers at in-network cost-sharing levels when they can demonstrate that their health plan’s provider network cannot meet their specific needs.
4. **Quality and Value - Mental Health Care:** The extremely personal and individuated nature of mental health care makes it especially important for there to be a choice of providers available to all patients. The scarcity of mental health care providers in some areas of Minnesota makes it difficult for patients to access a choice of providers, even when services are covered by their health plan, or for patients to have the opportunity to change their mental health care provider if they are not receiving effective services. Additionally, high cost-sharing in some plans makes it difficult for patients to maintain compliance with their prescription drug regimen, which puts them at high risk of increased symptoms and instability.

Recommendations:

- a)** MNsure should require all carriers to include an adequate number of mental health care providers in their network to ensure a choice of appropriate providers to all enrollees and the opportunity to change providers when services with one provider are not effective.
- b)** MNsure should ensure the availability of a transparent and publicized appeals process for enrollees who are unable to access appropriate culturally competent providers of mental health care in their health plan’s provider network. Cultural competence may include, but is not limited to, expertise relevant to specific communities or individuals

because of their socio-economic status, race, ethnicity, primary language, sexual orientation and gender identity. The appeals process should enable enrollees to access out-of-network mental health care providers at in-network cost-sharing levels when they can demonstrate that their health plan's provider network cannot meet their specific needs.

- c) All health plans on MNsure should be required to offer prescribed psychotropic drugs with no cost-sharing to patients with diagnosed mental health disorders.

Dissenting Opinion (2 members)

While recognizing the importance of the priority issues identified in the majority opinion, we respectfully dissent from the recommendations to institute active purchaser approaches before informative data from first year enrollment in MNsure is available.

We agree that affordability, choice, reducing health disparities, and improving mental health care quality and value are important goals that the MNsure board should pursue. However, we are unconvinced at this point that the active purchaser approach is the best way to do that. The launch of MNsure is a momentous step for Minnesota, and significant progress on the above mentioned goals is visible already. For example, MNsure offers the lowest premium rates in the country and many of the plans offered on the exchange are ranked highly by the National Committee for Quality Assurance. This is not to say that there is not additional work to be done, simply we do not yet have enough information on how consumers will react to the already significant changes presented.

We should wait until there is at least a year's worth of enrollment data before rushing to introduce new market regulations that could have unintended consequences such as narrowing plan options or increasing costs. Any new regulation added to MNsure should be the product of methodical deliberations based on clearly identified gaps in the existing marketplace. Since MNsure has not even completed its first year of enrollment, sufficient data does not exist and our committee has not had sufficient time to weigh the pros and cons of specific active purchaser approaches. This discussion should be revisited after at least one year's worth of enrollment data is available.

In the meantime, MNsure should focus finite resources and attention to developing the website tools to create the best consumer experience possible and to empower consumers with easily accessible information and a wide range of options so that they can find the best plan for their specific needs.