

Active Purchaser Authority: Offering Affordability and Access

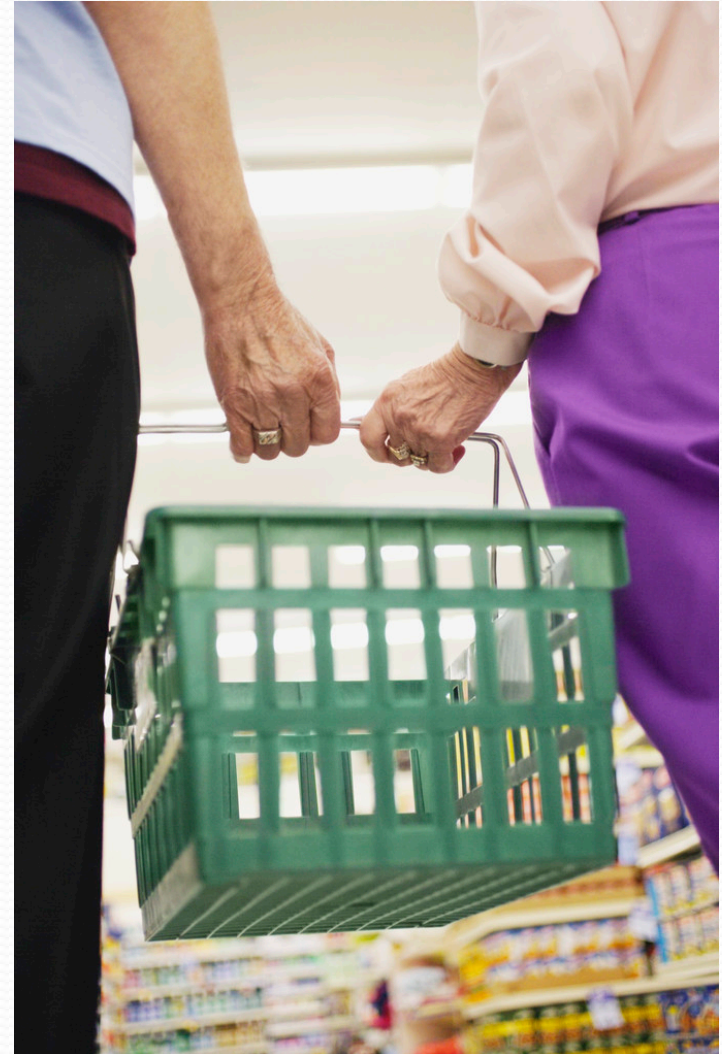
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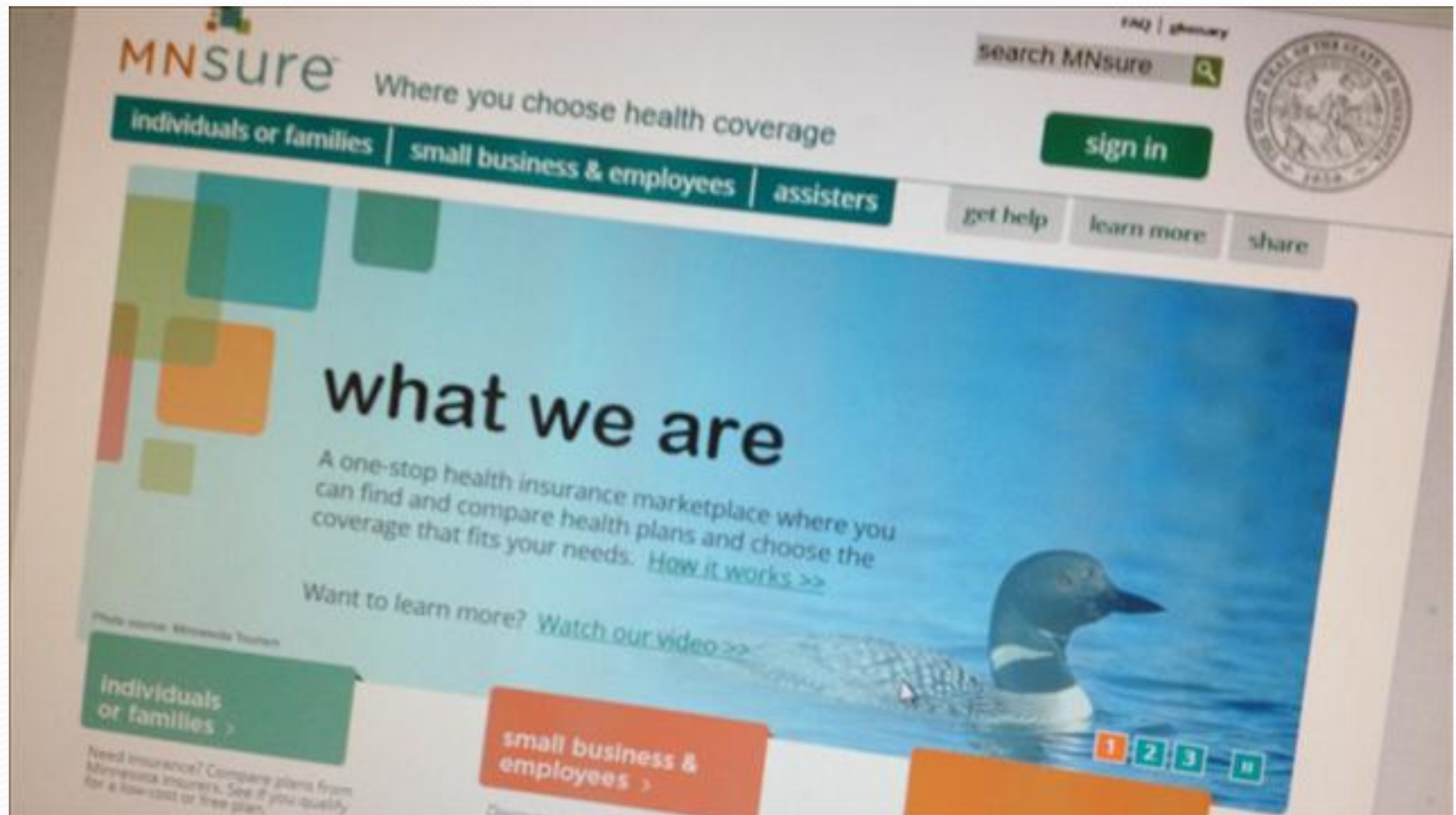
Shelf Space

In the open market, brands compete for shelf space, and as a result, shoppers get better:

- Value
- Choice



On-line “Shelf Space”



Active Purchaser Authority

MNsure can exercise Active Purchaser authority through:

- Selection
- Rulemaking

Legislation gives MNsure the option to choose whether to use Active Purchaser authority each year.

MNsure did not exercise Active Purchaser authority for 2015, but could for 2016.

Goals for Active Purchaser

1. Real affordability
2. Access to care
3. Apples-to-apples comparison



Affordability

Real cost of plan =
premium + cost sharing - tax credits

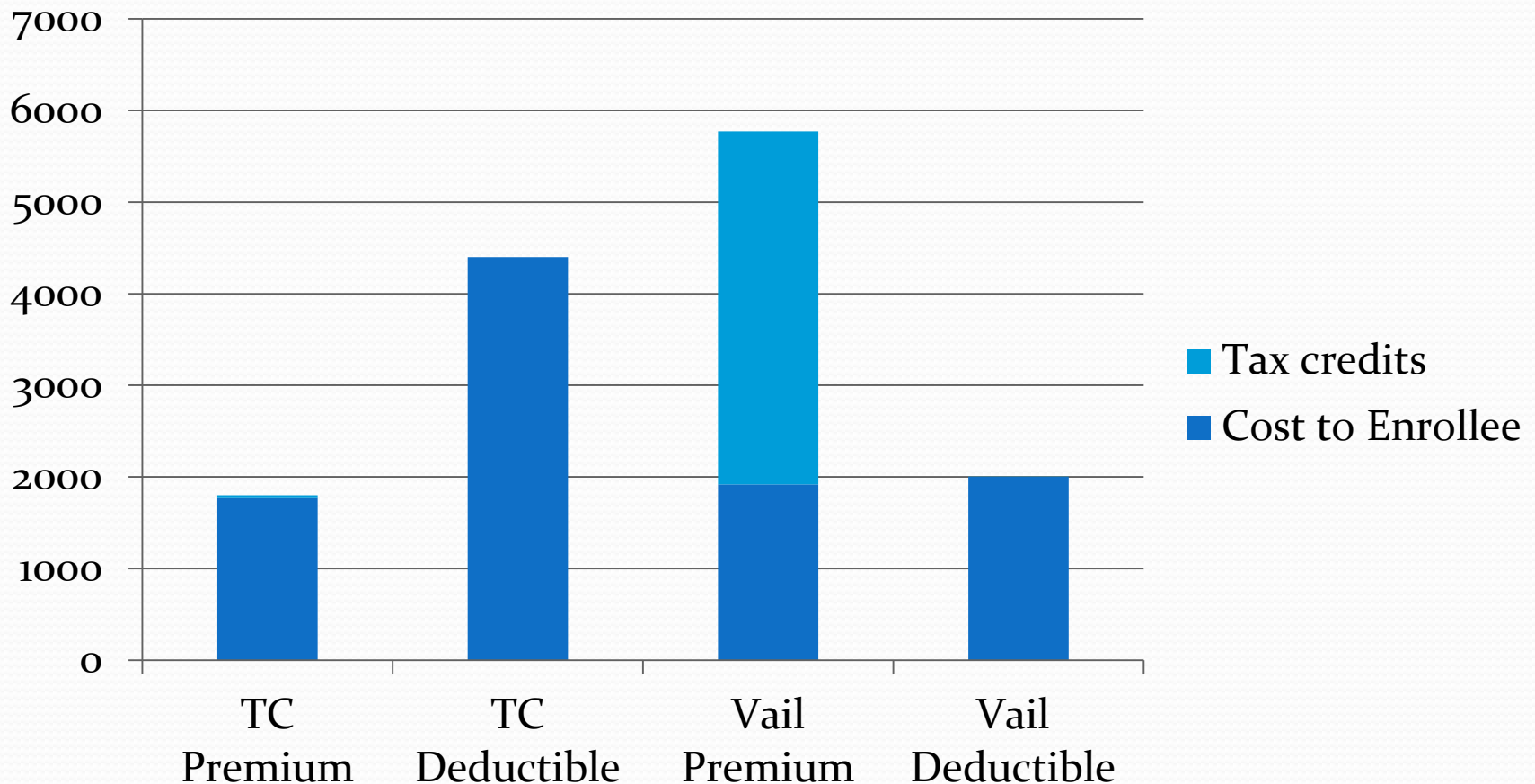
1. Low premiums generally come with high cost-sharing.
2. MN has lowest premiums/highest deductibles in the U.S.
3. Low premiums reduce tax credits

Affordability

Real cost of plan =
premium + cost sharing - tax credits

- **Twin Cities:** \$1,800 premium + \$4,400 deductible - \$24 tax credit = \$6,176
- **San Diego:** \$3,624 premium + \$2,000 deductible - \$1,752 tax credit = \$3,872
- **Seattle:** \$3,264 premium + \$1,500 deductible - \$1,512 tax credit = \$3,252
- **Vail:** \$5,772 premium + \$2,000 deductible - \$3,852 tax credit = \$3,920
- **Milwaukee:** \$3,672 premium + \$2,500 deductible - \$1,896 tax credit = \$4,276

Real Cost Comparison: Twin Cities and Vail, Colorado



Affordability

Recommendation:

MNSure should use Active Purchaser authority to select and offer more balanced plans, with a focus on overall affordability. This would reduce the real cost of health insurance for most Minnesotans by lowering cost-sharing and increasing tax credits.



Access to Care

Marketplace Plans' Networks Are Very Small, Study Finds

Obamacare's narrow networks are going to make people furious – but they might control costs

Narrow Networks in Covered California Plans Causing Confusion in San Diego

Less choice, lower premiums

Many exchange plans will offer narrow networks

COVER STORY

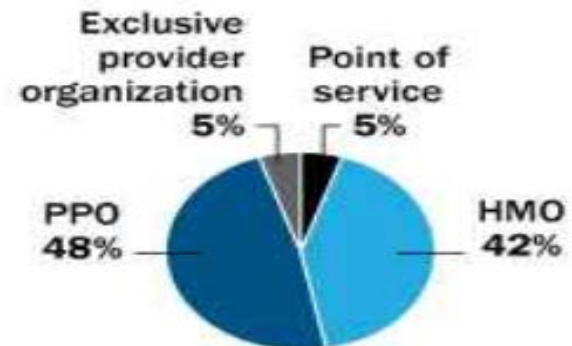
Narrow Networks Found To Yield Substantial Savings

Obamacare: Fewer options for many

By Jen Christensen, CNN

Nearly half of exchange plans will have tight networks

2014 individual market product filings across 13 states¹, by product type



¹ Filings through Aug. 5 in Arizona, California, Colorado, Connecticut, Georgia, Indiana, Maryland, Ohio, Oregon, Rhode Island, Tennessee, Virginia and Washington.

Source: McKinsey Advanced Healthcare Analytics analysis

Access to Care

The Many Dimensions of Network Adequacy:

- Geographic Access
- Timely Appointments
- Wait Times
- Cultural Competency
- Quality of Providers
- Choice

Access to Care

MNSure should follow this committee's data collection recommendations related to network adequacy:

1. Survey enrollees to assess knowledge of networks, out-of-network use, and network-related barriers to accessing care.
2. Survey providers to assess capacity to serve expanding need for healthcare services.
3. Conduct comparative analysis of networks on and off MNSure and assess trends.

Access to Care

Recommendation:

MNsure may want to use Active Purchaser authority in the future to require MNsure plans to offer networks that meet the needs of enrollees.



Apples-to-apples Comparison

Model
Health
Plans





This is only a summary. If you want more detail about your coverage and costs, you can get the complete terms in the policy or plan document at PreferredOne.com or by calling 763.847.4477 / 800.997.1750.

Important Questions	Answers	Why This Matters:
What is the overall <u>deductible</u> ?	In-network: \$5,700/\$11,400 (individual/family) Out-of-network: \$11,400/\$22,800 Deductible does not apply to in-network preventive care. Family <u>deductible</u> is non-embedded.	You must pay all the costs up to the <u>deductible</u> amount before this plan begins to pay for covered services you use. Check your policy or plan document to see when the <u>deductible</u> starts over (usually, but not always, January 1st). See the chart starting on page 2 for how much you pay for covered services after you meet the <u>deductible</u> .
Are there other <u>deductibles</u> for specific services?	No.	You don't have to meet <u>deductibles</u> for specific services, but see the chart starting on page 2 for other costs for services this plan covers.
Is there an <u>out-of-pocket limit</u> on my expenses?	In-network: \$5,700/\$11,400 (individual/family) Out-of-network: Unlimited Family <u>out-of-pocket</u> is non-embedded.	The <u>out-of-pocket limit</u> is the most you could pay during a coverage period (usually one year) for your share of the cost of covered services. This limit helps you plan for health care expenses.
What is not included in the <u>out-of-pocket limit</u> ?	<u>Premiums</u> , <u>balance-billed</u> charges and health care this plan does not cover.	Even though you pay these expenses, they don't count toward the <u>out-of-pocket limit</u> .
Is there an overall annual limit on what the plan pays?	No.	The chart starting on page 2 describes any limits on what the plan will pay for specific services, such as office visits.
Does this plan use a <u>network</u> of <u>providers</u> ?	Yes. For a list of in-network <u>providers</u> , go to PreferredOne.com or call Customer Service at 763.847.4477 / 800.997.1750.	If you use an in-network doctor or other health care <u>provider</u> , this plan will pay some or all of the costs of covered services. Be aware, your in-network doctor or hospital may use an out-of-network <u>provider</u> for some services. Plans use the term in-network, <u>preferred</u> , or participating for <u>providers</u> in their <u>network</u> . See the chart starting on page 2 for how this plan pays different kinds of <u>providers</u> .
Do I need a referral to see a <u>specialist</u> ?	No.	You can see the <u>specialist</u> you choose without permission from this plan.
Are there services this plan doesn't cover?	Yes.	Some of the services this plan doesn't cover are listed on page 5. See your policy or plan document for additional information about <u>excluded services</u> .

Your Cost If You Use an In-network Provider	Your Cost If You Use a Non-network Provider
\$40 copay first 3 visits. Then 100% until deductible met. Then 20% coinsurance. Except \$20 copay for all convenience/retail or e-visits.	50% coinsurance after non-network deductible.

Your Cost If You Use a	
In-Network Provider	Out-of-Network Provider
\$35 copay/visit. Up to 5 visits then 0% coinsurance.	40% coinsurance

Your cost if you use an In-network Provider	Out-of-network Provider
\$30 co-pay/ visit	50% co-insurance

Your cost if you use an	
In-Network Provider	Out-of-Network Provider
0% coinsurance for the 1 st two office visits; 20% coinsurance thereafter	50% coinsurance

Your cost if you use a	
In-Network Provider	Out-Of-Network Provider
Primary OV: \$30 copay for the first three visits and 20% coinsurance thereafter Convenience Care: No charge for the first three visits and \$15 copay+20% coinsurance thereafter virtuwell: No charge	Primary OV: 60% coinsurance Convenience Care: 60% coinsurance virtuwell: Not covered

Major plan variables:

- **Premiums**
- **Networks**
- **Co-pays** for office visits, urgent care, emergency care, convenience care, behavioral health, etc.
- **Co-pays** for generic drugs, preferred brand drugs, non-preferred brand drugs, specialty drugs, etc.
- **Deductibles:** In-network, Out-of-network, Family and Individual
- **Out-of-pocket limit:** Family and Individual
- **Coinsurance:** In-network and Out-of-network
- **Visit limits:** Skilled nursing, re/habilitative care, hospice, etc.

Model Health Plans

Standardized:

- Deductibles
- Out-of-pocket limit
- Co-pays
- Coinsurance
- Covered Benefits
- Drug Coverage
- Visit limits

Differences:

- Carrier/Brand
- Premium
- Network

Apples-to-apples Comparison

Recommendation:

MNsure should use Active Purchaser authority to require all health insurance companies offering plans on MNsure to offer Model plans in at least Bronze, Silver and Gold.





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