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CONSULTING ACTUARIES & HEALTHCARE SPECIALISTS

Vermont Essential Health Benefits
Estimated Pricing Impact of Benchmark Options

March 1, 2012

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Agenda

- Goals of Analysis
- Comparison of Benefit Differences
- Price Impact of Benefit Differences
- Next Steps

Goals of Analysis

- Ultimate goal is to assist in the selection of the Essential Health Benefit (EHB) benchmark by quantifying the price impact of the different benchmark options
  - Ideally, pricing impact would be determined using detailed Vermont claims data (VHCURES)
  - The data is not yet available so industry data and actuarial judgment were used to develop a high level estimate
- Goal for high level analysis is to estimate the magnitude of the benefit differences

Comparison of Benefit Differences

- Analysis compares the benefit differences of the two largest small group plans and the state employee plan
  - MVP EPO and BCBSVT HMO small group plans
  - Cigna state employee plan
- Identification of detailed benefit differences developed using information provided by Bailit Health Purchasing
  - Provided detailed information with over 500 benefits compared
  - Supplemented with updated information in their presentations
- Excluded from the comparison
  - Benefits were excluded from the comparison when the benefits for one of the plans was unknown, which was over half of the 500+ benefits
  - Analysis does not evaluate the increase in benefits that are required under the EHB guidance but may not be included in either small group plan (e.g. habilitative services)

Comparison of Benefit Differences

- Benefit differences were grouped into three categories based on expected impact to premiums. Since MVP has the leanest benefits, it was used as the baseline plan.
  - Highly significant impacts are estimated to increase premiums by more than 0.10%; moderately significant by 0.06% to 0.10%; slightly significant by 0.05% or less
  - For example, BCBSVT HMO has 11 benefits that have more coverage than MVP EPO and are estimated to have a moderately significant pricing impact
- BCBS and Cigna both have 22 differences, with Cigna having more that are considered highly significant

Number of Benefits Compared	MVP EPO	BCBS HMO	CIGNA	Total
Slightly Significant	3	11	10	**24**
Moderately Significant	0	11	7	**18**
Highly Significant	0	0	5	**5**
Total Differences	**3**	**22**	**22**	**47**

Price Impact of Benefit Differences

- Where possible, benefits were analyzed with industry data; most based on actuarial judgment
- Impacts were estimated considering the benefit independent of downstream effects. For example, if infertility treatments are covered it may increase the incidence of higher cost multiple births. However, only the estimated cost of the infertility treatment is included in the estimates.
- Benefit differences with no price impact
  - There were numerous benefit differences that are expected to have an insignificant impact. MVP had approximately 25 insignificant benefit differences, BCBS had 10 and Cigna 5.
  - Prior authorization differences are not included in the pricing impact. Since prior authorizations typically track high cost services and utilization outliers, they usually do not result in pricing impacts. A review of the MVP and BCBS prior authorization differences supports an insignificant impact estimate.

Price Impact of Benefit Differences

- Estimated pricing impacts are considered reasonable yet conservative
- The BCBSVT benefits are expected to impact premiums by approximately 1.4% in total; the number of benefits, rather than a couple of highly significant benefits, is driving the overall impact
- Cigna benefits are expected to impact premiums by 2.7%, driven by five highly significant additional benefits.

Estimated Impact of Benefits - % of Premium	MVP EPO	BCBS HMO	CIGNA
Slightly Significant	0.0%	0.4%	0.3%
Moderately Significant	0.0%	1.0%	0.7%
Highly Significant	0.0%	0.0%	1.7%
Total Differences	**0.0%**	**1.4%**	**2.7%**

Price Impact of Benefit Differences

- Assuming a per member per month (PMPM) premium of $350, we estimated the monthly premium impact for the benefit differences
  - That is, if you added the BCBSVT benefits to a plan with a $350 PMPM that did not already have the benefits, premiums would be expected to increase by $4.92 PMPM
- For high deductible plan designs, the premium impact will likely be less; conversely, the impact may be more for plans with minimal cost sharing

Estimated Impact of Benefits - PMPM	MVP EPO	BCBS HMO	CIGNA
Slightly Significant	$0.13	$1.28	$1.17
Moderately Significant	$0.00	$3.64	$2.31
Highly Significant	$0.00	$0.00	$5.81
Total Differences	**$0.13**	**$4.92**	**$9.29**

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Next Steps

- Obtain more complete benefit information
  - Over half of the possible benefits are not included in the analysis due to missing data. We will work with the health insurers to obtain accurate and complete information for the subset of the benefits that are expected to have the largest impact on pricing.
- Develop data driven pricing impacts
  - Utilizing historical claims data (VHCURES), a more accurate estimate of the pricing impacts of the benefit differences will be developed
  - The number of members who use each benefit will be captured as well as the range of the number of services each member receives

Caveats

- This document is for initial discussion purposes. The final report with detailed pricing impacts should be consulted for complete information.
- Future EHB guidance may alter the results provided in this analysis
- Benefit differences are subject to change since information is currently incomplete from the health insurers
- Actual impacts will vary from the estimates provided. These impacts will also vary by factors such as health plan, benefit design level and the demographics of the enrollees.

Appendix

List of Detailed Benefit Differences with Estimated Impact Category

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Detailed Benefit Differences

Required CMS Category and Type of Service	Specific service	MVP EPO	BCBSVT HMO	Cigna State Plan
Family Planning/ Reproductive Services: In-vivo fertilization, infertility services	Administered or provided drugs, counseling, GIFT, surgery to extract/fertilize mature eggs, lab studies, ongoing drug therapy, ultrasound, ZIFT, experimental procedures or therapies, diagnosis, donor related services/specimens, surrogate fees	Excluded	Excluded	Covered but subject to a Limited Lifetime Maximum Benefit for Eligible Expenses.
Home Health Services	Home health aide services for care, skilled nursing services for care by a registered nurse or a licensed practical nurse, medical supplies, equipment and drugs, occupational therapy	Covered for part time intermittent home health aide services, for up to 60 visits per member per Contract Year. Prior Authorization is required.	Covered (for personal care only) when your Physician re-certifies the treatment plan every 60 days.	Covered
Routine vision care	Lenses	Excluded	Covered only when needed to replace the lens of an eye (and the lens was not replaced at the time of surgery)	Covered- one pair of lenses every 24 months. The maximum Vision Care Benefit payment every 24-month period for vision exams and lenses combined is $100.
Occupational Therapy/Physical Therapy	Occupational Therapy/Physical Therapy	Covered We will provide Benefits for Physical, Occupational and/or Speech Therapy up to 30 visits combined per member per Contract Year.	Covered for up to 30 Outpatient sessions combined per calendar year or up to six months after initiation of therapy for a particular Episode	Covered
Speech therapy: Hospital Outpatient Services	Speech therapy	Covered up to 30 visits combined per member per Contract Year	Covered for up to 30 Outpatient sessions combined per calendar year or up to six months after initiation of therapy for a particular Episode	Covered (no limits)

Highly Significant Moderately Significant Slightly Significant

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Detailed Benefit Differences

Required CMS Category and Type of Service	Specific service	MVP EPO	BCBSVT HMO	Cigna State Plan
Mental health and substance use disorder services: Psychological or psychiatric treatment	Family and marital problems	Excluded	Covered only when you use a Network Provider and get Prior Approval for the Services	Covered in-network only
Dental Services/ Oral Care	Inpatient Dental Services	Excluded except Craniofacial Disorders	Covered for specific services with prior approval.	Covered when Medically necessary
Dental/ Oral Care	Oral surgery	Excluded	Covered when to correct gross deformity resulting from major disease or Surgery. Prior approval required.	Covered when to correct a gross deformity resulting from major disease or surgery performed under this coverage.
Rehabilitative and habilitative services and devices: Orthotics	Rigid or semi-rigid support devices that restrict or eliminate the motion of a weak or diseased body part (ex. splints, air casts and carpal tunnel devices.)	Excluded	Covered if required for activities of daily living and not intended primarily for use with sports or physical activities other than activities of daily living (ie knee braces for skiing, running or hiking)) with Prior approval.	Covered when ordered by a Physician or a podiatrist.
Family Planning/ Reproductive Services: Infertility Services	Diagnostic work-up and evaluation	Excluded	Covered when to determine if and why the couple is infertile	Covered
Medical Supplies	Catheters	Excluded	Covered	Need to check (assumed covered)

Highly Significant Moderately Significant Slightly Significant

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Detailed Benefit Differences

Required CMS Category and Type of Service	Specific service	MVP EPO	BCBSVT HMO	Cigna State Plan
Private Duty Nursing	Private Duty Nursing	Excluded	Covered skilled nursing Services by a private-duty nurse outside of a hospital, subject to prior approval limits of $2,000 per member, per year.	Excluded
Rehabilitative and habilitative services and devices: Prosthetic Devices	Dentures, dental implants or dental prosthetics	Excluded	Covered. Prior approval required.	excluded
Rehabilitative and habilitative services and devices: Prosthetic Devices	Eyeglasses	Excluded	Covered only when necessary to replace the lens of the eye (and the lens was not replaced at the time of Surgery). Prior approval required. We cover only one set of accompanying eyeglasses or contact lenses for the original prescription; and one set for each new prescription	Excluded
Chiropractic Services	Chiropractic services for treatment of conditions related to subluxations, joint dysfunctions, and neuromuscular and skeletal disorders, diagnostic testing, physiotherapy modalities and rehabilitative exercises for the restoration of motion, reduction in pain and improvement in function.	Covered when provided by a Preferred licensed chiropractic physician. Prior Authorization is required if you use more than eight Chiropractic Treatment visits in any one Contract Year.	Covered when provided by a network provider working within the scope of their licenses. coverage. If you use more than 12 chiropractic visits in one calendar year, you must get Prior Approval from us for any visits after the 12th.	Covered when medically necessary in office, home or residential treatment facility visits.

Highly Significant Moderately Significant Slightly Significant

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Detailed Benefit Differences

Required CMS Category and Type of Service	Specific service	MVP EPO	BCBSVT HMO	Cigna State Plan
Alternative or Complementary health services	Acupressure, acupuncture, diagnostic testing, aroma therapy, bioenergetics therapy, carbon dioxide therapy, chelation therapy, hair analysis, homeopathy, hypnosis/hypnotherapy, massage therapy, meditation, megavitamin therapy, primal therapy, psychodrama, purging, recreational therapy, Rolfing, yoga	Excluded	Excluded	Covered
Alternative or Complementary health services	Biofeedback	Covered only for treatment of urinary incontinence	Excluded	Covered
Alternative or Complementary health services	Naturopathy	Excluded	Limited	Covered
Blood Products	Blood derivatives	Covered only when a volunteer blood replacement program is not available.	covered	Need to check (assumed covered)
Blood Products	Whole blood, blood components,	Covered	Excluded	Need to check (assumed excluded)
Dental/ Oral Care	Care for an accidental injury to the jaw, mouth or face	Covered for Preferred Provider when not dental in nature	Covered	Covered
Dental/ Oral Care	Care for an accidental injury to the natural teeth	Excluded	Covered	Covered

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Required CMS Category and Type of Service	Specific service	MVP EPO	BCBSVT HMO	Cigna State Plan
Hospital based Dental/ Oral Care	Anesthesiologist's charges for anesthesiologist administered anesthesia for an oral surgery	Excluded unless the oral surgery is not primarily dental in nature	Excluded unless specifically provided by your contract	Covered
Hospice Care	Nursing care by or under the supervision of a registered nurse, part-time or intermittent services of other health care professionals, services of a psychologist, social worker, family counselor or ordained minister for individual and family counseling	Covered up to 2 visits per day, 100 hours/month for personal care services. Prior Authorization is required.	Covered up to 2 visits per day, 100 hours/month for personal care services.	Covered (no limits)
Medical Supplies	Disposable medical supplies	Excluded	Covered under certain circumstances	Need to check (assumed covered)
Physical therapy: Home Health Services	Physical therapy in home setting	Covered for up to 60 visits per member per Contract Year if provided by Home Health Agency personnel for Acute Services. Prior Authorization is required.	Covered when medically necessary for Acute care Services.	Covered
Rehabilitative and habilitative services and devices: Orthotics	Corrective shoes that are attached to a brace	Excluded	Covered only when the device is surgically implanted or worn as anatomic supplement to replace all or part of an absent body organ	Covered when ordered by a Physician or a podiatrist.

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Detailed Benefit Differences

Required CMS Category and Type of Service	Specific service	MVP EPO	BCBSVT HMO	Cigna State Plan
Rehabilitative and habilitative services and devices: Prosthetic Devices	Wig, toupee or hairpiece	Excluded	Covered only when the device is surgically implanted or worn as anatomic supplement to replace hair lost due to chemotherapy or disease (excluding male pattern baldness); Prior approval required.	Covered- one per calendar year, if required to replace hair lost as a result of chemotherapy or alopecia
Transplant Procedures and Benefits: Procurement of the organ	Hospitalization and surgery of the live donor	Covered only when you get such services through MVP's Transplant Network for live donor medical expenses, up to your coverage limits.	Covered for transplants using a deceased donor, we limit Benefits for the search, removal, storage and transportation of the organ to $35,000 per solid organ transplant; for transplants using a live donor, we limit Benefits for the live donor's surgical expenses and storage and transportation of the organ to $65,000 for each Covered organ transplant procedure completed;	Covered with exceptions up to $20,000 for total organ procurement procedure with prior approval when performed in a network facility and approved by the Plan Administrator. Coverage for organ procurement costs are limited to costs directly related to the procurement of an organ from a cadaver or a live donor.

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