



Non-Standard QHP Approval Process & 2021 Evaluation Criteria

A Joint DVHA, DFR and GMCB Staff Presentation
& Preliminary Staff Recommendation

January 29, 2020

Proposed Non-Standard Qualified Health Plan (QHP) Approval Process

Introduction & Background

- What are Non-Standard QHPs?
- What is the benefit of offering Non-Standard QHPs on the Exchange?
- Why adopt an approval process now?
- How was this proposed process developed?

Process Development

Considerations in developing this process:

- Carrier innovation
- Consistency with QHP certification timeline and state regulatory processes
- Transparency in the process
- Ensuring minimal disruption to policyholders during plan transitions

QHPs: Regulatory Roles & Responsibilities

Green Mountain Care Board (GMCB)

- Reviews and approves, with recommendations from DVHA, qualified health plan (QHP) designs. 18 V.S.A. § 9375(b)
- Reviews and approves, modifies or disapproves proposed QHP rates. 8 V.S.A. § 4062(a)(1); 18 V.S.A. § 9375(b)(6)

Department of Vermont Health Access (DVHA)

- Provides recommendations to GMCB on QHP designs. 18 V.S.A. § 9375(b)
- Certifies that QHPs meet federal and state requirements for being offered on the Exchange. 33 V.S.A. § 1806
- Before making a plan available on the Exchange, determines that the plan is in the best interest of individuals and qualified employers in this State. 33 V.S.A. § 1806(a)

Department of Financial Regulation (DFR)

- Reviews QHP forms for compliance with state and federal insurance regulations. 8 V.S.A. § 4062(a)(1); 33 V.S.A. § 1806(e)(2)
- Provides the GMCB with an analysis and opinion on the impact of a proposed rate on the insurer's solvency and reserves. 8 V.S.A. § 4062(a)(2)(B)

Process Overview: Steps 1-4*

1. Roughly a year prior to form filing, the GMCB has the opportunity to update the criteria it will use to evaluate whether a non-standard plan design adds value to the Vermont market.
2. Prior to form filing, issuers notify DVHA of any modifications to existing non-standard plans or of any new proposed plan design.
3. Following notification, DFR & DVHA may meet with issuers to work through potential form filing or certification concerns.
4. In the event the issuer is proposing to sunset a current plan, prior to form filing the issuer must provide DFR & DVHA with a preliminary plan for mapping current enrollees into a new plan during open enrollment.

*Please see handout for formal process language.

Process Overview: Steps 5 – 8*

5. Only proposals for new plans or significant changes to existing plans will require the issuer to present the proposed plan design to the GMCB for approval.
6. Issuers will present plan designs to the GMCB for approval no later than April 15th. Plan designs will remain confidential until forms are filed in March.
7. Issuers must demonstrate the value the proposed plan or plan changes would add to the Vermont market, including but not limited to the evaluation criteria approved by the GMCB.
8. Issuers will be notified of the presentation date at least 30 days in advance and all proposals will be presented on the same day.

*Please see handout for formal process language.

Process Overview: Steps 9 – 11*

9. GMCB approves proposals for plan designs where the issuer has shown that the plan will add value to the Vermont marketplace. If the GMCB does not approve a proposal, the issuer may request the GMCB reconsider its decision or may refile forms for its currently approved plan (with the option for making minor changes).
10. GMCB approval of a non-standard plan design does not guarantee form approval by DFR or certification by DVHA
11. By statute, final selection of a qualified health plan offered on the Exchange is at the discretion of the DVHA commissioner prior to open enrollment each year (33 V.S.A. § 1806).

*Please see handout for formal process language.

2021 Evaluation Criteria

Proposed 2021 Evaluation Criteria

- The proposed criteria would apply to non-standard plan design proposals presented to the Board for the 2021 plan year.
- Carriers are presently developing their 2021 plan designs; if plan designs require Board approval, carriers would present their designs to the Board this Spring.
- This criteria, if adopted, will be used in the Board's determination of whether a proposed non-standard plan design will add value to the Vermont marketplace.
- DFR and DVHA remain responsible for determining whether plan designs meet federal and state requirements for QHPs offered on the Exchange.

Considerations

- Criteria should provide metrics for the Board to assess the value a proposed plan design would add to the Vermont marketplace.
- Criteria should provide guidance as to how carriers might demonstrate evidence of value when presenting plan designs.
- Non-standard plan designs are an area for carrier innovation; thus the criteria need to be specific enough to allow for meaningful Board review but broad enough to not inhibit innovation.
- At present there are no criteria in place; if carriers choose to propose 2021 plan design changes requiring Board review, adoption of criteria will provide structure for the Board's review.

Proposed Evaluation Criteria

1. Substantial difference in deductible and/or maximum out of pocket compared to standard plans. (ex., substantial difference in amount of Rx deductible)
2. Substantial cost share difference for one or more highly utilized services compared to standard plan designs (ex., change the applicability of a deductible to a service)
3. Plan structure difference compared to standard plan designs. (ex., change from co-payment to co-insurance for specialty office visits)
4. Enhances innovation (ex., promotes optimal service delivery location)
5. Adds value to the Vermont individual and small business health insurance market (ex., fills a gap identified by consumers)

Questions?

Public Comment Period: Jan. 29th – Feb. 3th

GMCB Discussion and Vote: Feb. 5th

Preliminary Staff Recommendation

- Staff recommend **approving the Non-Standard QHP Design Approval Process & 2021 Evaluation Criteria as presented.**
- This recommendation is pending the receipt of any public comment.
 - **Special public comment period: Wednesday, 1/29 - Monday, 2/3.**