

Preparing Your Staff and Patients for Exchange Enrollment

July 17, 2013

Housekeeping Announcements

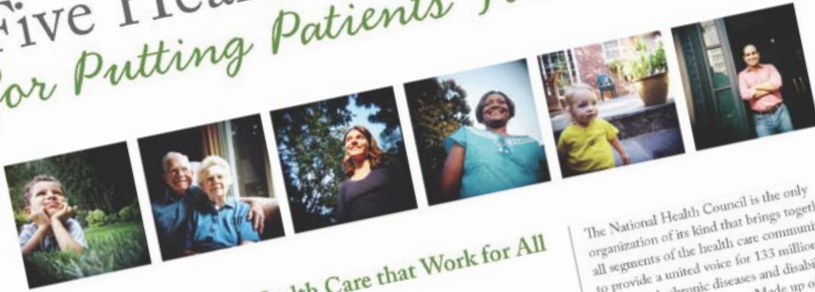
- Will mute phone lines so that we all can hear
- Please submit questions to the moderator via the chat function
- Submitted questions will be answered at the end of the webinar
- Will record the presentation
- Problems during the presentation?
 - Contact us at kgarrity@nhcouncil.org or 202-785-3910

Essential Health Benefits: We've Only Just Begun

**The mission of the National Health Council is
to provide a united voice for people with
chronic diseases and disabilities.**



Five Health Care Principles for Putting Patients First®



The Touchstones for Health Care that Work for All

1. Cover Everyone
2. Curb Costs Responsibly
3. Abolish Exclusions of Pre-Existing Conditions
4. Eliminate Lifetime Caps
5. Ensure Access to Long-Term and End-of-Life Care

Millions of Americans wake up every morning facing the physical and mental challenges of chronic diseases and disabilities. It's the young mother anxiously watching and waiting for her child's first words only to be told he has autism and the busy career woman who attributes her forgetfulness and sleepless nights to stress but really is experiencing the first symptoms of multiple sclerosis. It's the former school teacher who learns the first symptoms he will do in retirement is to a local hospital for kidney dialysis. It's the wife whose heart breaks as she surrenders her husband diagnosed with Alzheimers to the care of a nursing facility when she becomes too frail.

We all know someone—if not ourselves—who struggles to overcome the grip of chronic diseases and disabilities. While the health consequences are real, these individuals also face the often-times frustrating maze of the health care system and the financial burden of high premiums and out-of-pocket costs even with health insurance coverage. The toll can be devastating for their health and their family's financial well-being.

The National Health Council represents patient and other health-related organizations dedicated to putting the needs of patients first. That is what we do and that is what our health care system should always do.

We believe that the health care system can be both affordable and effective for everyone when it provides more coordinated care, improves patient outcomes that lower costs to society and keeps pace with biomedical innovation. Access, affordability, innovation and high quality care should be the benchmarks for health care in America.

Putting patients first means creating a modern health care system that saves lives, enhances our quality of life and save us all money.

The National Health Council is the only organization of its kind that brings together all segments of the health care community to provide a united voice for 133 million people with chronic diseases and disabilities and their family caregivers. Made up of 115 national health-related organizations, its core membership includes 50 of the nation's leading patient advocacy groups. Other members include professional and membership associations, nonprofit organizations with an interest in health, and major pharmaceutical, medical device and biotechnology companies. The National Health Council brings together diverse stakeholders within the health community to work for health care that meets the personal needs and goals of people with chronic diseases and disabilities.

Learn more about the National Health Council at www.nationalhealthcouncil.org.



Five Health Care Principles for Putting Patients First®

Touchstones for Health Care that Work for All

A healthy America starts with health care that is affordable and accessible. For the 74.7 million people who did not have health insurance coverage, the lack of insurance in life results in better students becoming more productive workers, healthier workers through routine check-ups, chronic disease prevention and preventive care produces a globally-competitive workforce.

Controlling costs cannot come at the expense of quality. Higher out-of-pocket costs merely discourages higher quality care through better use of technology appropriate to the condition, and by promoting awareness and prevention of disease. Care coordination will also save money and produce particularly those with chronic conditions.

Pre-Existing Conditions. It's ironic that those who have pre-existing conditions, which are often the most costly health outcomes down the road, are often denied insurance or be forced to pay higher rates. It's harder for them to get timely and comprehensive care. Coverage should be the same for all chronic conditions.

Insurance. Many people do not grasp the basics of insurance, but they often do not understand the terms, conditions and out-of-pocket maximums, deductibles, co-payments and what this or her family. Lifetime caps on benefits will pay. A catastrophic illness may set a maximum threshold for the patient loses the safety net of insurance. The reform needs to eliminate lifetime caps.

Long-Term Care. Americans are often not prepared for retirement. And, the cost of long-term care and disability makes it difficult for many families. Our health care system is aging population by design. The health care system that provides long-term care and the nursing home industry is a serious financial and health care challenge.

End-of-Life Care. The elderly are promised to be treated with respect and accurate medical treatment, no gaps in care or surprises in the cost of care, and consideration for their daily comfort and family situation.⁴

Footnotes

- 1 U.S. Census Bureau, "Household Income Rises, Poverty Rate Unchanged, Number of Uninsured Down," 26 August 2008; Internet accessed November 2008 at www.census.gov/Press-Release/www/tables/income/income_w08tbl-012528.html.
- 2 California HealthCare Foundation, "Insurance Markets: Individuals Find Wide Price Spreads and Differing Benefits When Shopping for Insurance," November 2002; Internet accessed November 2007 at www.chcf.org/documents/insurance/2002insurancemarkets112002.pdf.
- 3 Jane Gross, "Cost of Elderly Care is Double Price Estimates," *New York Times*, 19 Nov 2007; Internet accessed November 2007 at www.nytimes.com/2007/11/19/health/19old-caregivers.html.
- 4 Joanne Lynn and David M. Adams, "Adapting Health Care to Serious Chronic Illness in Old Age," RAND Health White Paper WP-137 (2003). Internet accessed November 2007 at www.rand.org/pubs/whitepapers/.



Putting Patients First®

GOAL: Engage individuals in a nationwide effort to create and implement a modern health care system, based on 5 Principles for Putting Patients First®

- Cover Everyone
- Curb Costs Responsibly
- Abolish Exclusions for Pre-existing Conditions
- Eliminate Lifetime Caps on Benefits
- Ensure Access to Long-term and End-of-life Care



Essential Health Benefits White Paper



National Health Council

1750 M Street NW, Suite 204, Washington, DC 20036-4264 • 202-982-0950 • www.nhcouncil.org

Actuarial Analysis to Estimate Costs of a Model Plan August 2011

Overview

The National Health Council (NHC) believes that existing employer-sponsored health benefits packages, such as the Federal Employee Health Benefits Plan (FEHBP), may inform the health benefits package, as required by the Affordable Care Act (ACA), commissioned an actuarial analysis to examine the cost of a comprehensive benchmark standard for adequate coverage—the Benchmark Standard Option (BCBS-SO) plan offered under the FEHBP.¹ All analysis was performed under the assumption that all insurance reforms included in the ACA are effective in 2014.

A key finding of this analysis is the variability of cost-sharing structure. Additionally, the richness of the model benefit led to difficulties developing standard plan cost-sharing designs, especially for silver and bronze level plans.

Analysis and Results

The analysis proceeded through the following steps:

1. Create a baseline benefit package
2. Price the baseline benefit package
3. Calculate and adjust actuarial value

To begin this analysis, the NHC selected the FEHBP BCBS Standard Option as the baseline benefit package, as this plan is an often mentioned benchmark insurance coverage. Though they are covered under the BCBS Standard Option, dental and vision benefits, as these benefits are not listed among the ten essential health benefits under the ACA.

To price the baseline benefit package, the analysts estimated spending on health care services and projected future costs to calculate the cost to the employer. The model plan was priced using the FEHBP BCBS Standard Option as a model. This analysis results in an average person equaling \$4,659 per year.

This model plan has an actuarial value of 0.87 for in-network services, at a 90 percent level of coverage (i.e., 90 percent). The analysts then adjusted the actuarial value by creating different benefit design structures to accommodate the four levels of coverage: Platinum at 90 percent; Gold at 80 percent; Silver at 70 percent; and Bronze at 60 percent. Using standard plan designs, the analysts modified deductibles, coinsurance, and out-of-pocket maximums to illustrate how benefits may differ within same actuarial value plan designs that may be used by plans, even within an established benefit design.

¹ Actuarial analysis performed by Actuarial Research Corporation and Aviva Health.

A United Patient Voice on Essential Health Benefits

August 2011



Essential Health Benefits

Broad Definition
of Covered Services
—
Specific List of
Exclusions

Patient Protections

- Anti-Discrimination
- Medical Necessity
- Exceptions and Appeals
- Continuity of Care
- Prohibition of Specialty Tiers
- Limited Cost Sharing
- Part D Protected Classes



Patient Community Wins

- Drug Formulary must have the same number of prescription drugs in each class as that of the EHB-benchmark plan
- States must monitor and identify discriminatory benefit designs
- The ability of health plans to substitute benefits is limited.



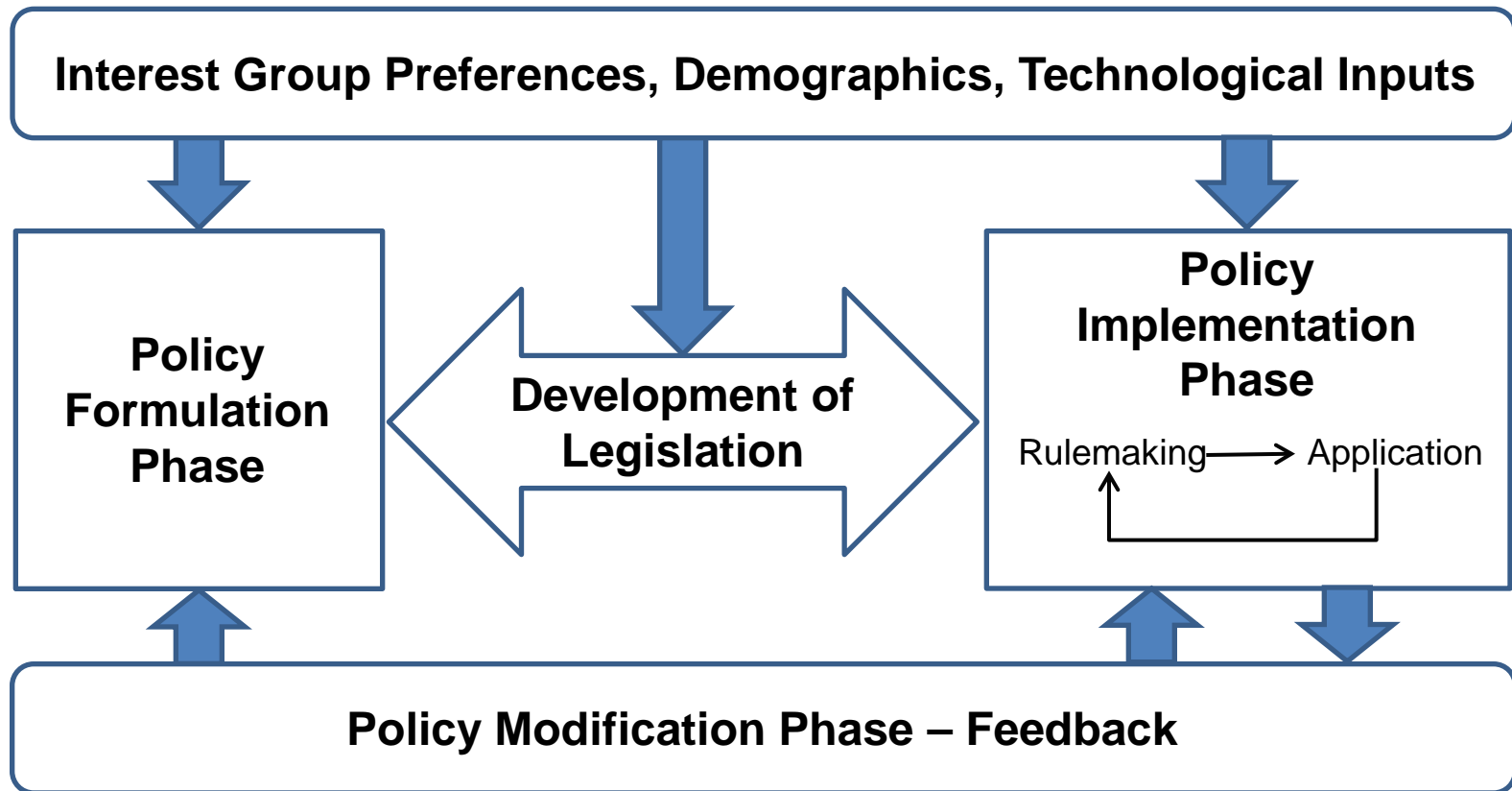
Patient Advocacy Tools

Tools:

- Choosing an appropriate plan
- Evaluation and Tracking Tool



Public Policymaking Process in the U.S.



Based on *Health Policymaking in the United States*, 2nd Edition, by Beaufort B. Longest Jr.

QUESTIONS?