

Carrier Plan Comparison Grid

May 8, 2008

	Board Meeting 4/3/2008	Group Health Comp	Premera Comp	Regence Comp
Comprehensive				
Group Health	Welcome 200		Your Balance	Innova 80/60/60
Premera	Your Balance	Balance 500		Innova 80/60/60
Regence	Innova 80/60/60	Balance 1000	Your Balance	
Mid-Range				
Group Health	Balance 500		Your Balance	Innova 80/60/60
Premera	Your Balance	Welcome 1000		Innova 80/60/60
Regence	Engage 80/80/80	Compass 500	Your Balance	
Catastrophic				
Group Health	Balance \$1000		Your Value	Innova 80/60/60
Premera	Your Value	Welcome 1000		Engage 80/80/80
Regence	Innova 90/70/70	Welcome 1000	Your Value	
H.S.A.				
Group Health	H.S.A. \$1500		Your Future	Regence H.S.A. Healthplan
Premera	Your Future	HealthPays 2500		Regence H.S.A. Healthplan
Regence	Regence H.S.A. Healthplan	HealthPays 1500	Your Future	

COMMENTS

Deductible
Member Coinsurance

Welcome plans offer coverage for first five visits with just a copayment. Deductible and coinsurance do not apply until the sixth office visit. Employees choose how they wish to use their visits: see a personal physician/specialist, get maternity care, Balance Plans offer unlimited outpatient services at a \$30 copayment, with no deductible or coinsurance in network, and unlimited outpatient services out of network at a \$30 copayment after the deductible is satisfied. Lab and Xray are covered in full in

Copay
OOP Maximum
Copay-Only Office Visits
Family Multiple
Minor Benefit Features

Specific Benefit Features

All Rx offers online refills with \$5 montly discount. GH medical center patients have access to MyGroupHealth enhanced suite of services, including secure messaging with their doctor, online test results and visit summaries, health risk assessment that i

Pharmacy

COMMENTS FROM PREMIERA

Deductible
Member Coinsurance
Copay
OOP Maximum
Copay-Only Office Visits

Your Balance: First six in-network OV subject only to copay. **Your Value:** First six in-network OV subject only to coinsurance. Subsequent visits are subject to deductible and coinsurance. **Your Future:** OV subject only to deductible and coinsurance; ***deduct**

Family Multiple
Minor Benefit Features

Specific Benefit Features

*Healthy Connections programs include Health Risk Management, Employee Assistance Program, Disease and Case Management services, and a 24-hour Nurse Line

Pharmacy

COMMENTS FROM REGENCE

Deductible
Member Coinsurance

Deductible may not apply to specified services

Copay
OOP Maximum
Copay-Only Office Visits
Family Multiple
Minor Benefit Features

Out of Pocket reflects deductible and coinsurance responsibility. Medical copays, and Prescription drug brand deductible do not accrue to Out of Pocket Maximum
Innova offers your choice 4,6, or unlimited to use for sick and preventive needs

*Regence Engine programs include Health Costs Estimator, Care Options, Health Risk Assessment, and Health Calculator

Specific Benefit Features

Self managed plans let your employees personalize their care by making decisions that directly affect their costs and how they access care.
Please see our website www.regence.com for more information

Pharmacy

Issuing Carrier: Group Health				Major In-Network Benefit Features						Minor Benefit Features			Group Health Specific Benefit Features				Premera Specific Benefit Features				Regence Specific Benefit Features			
Category	Comparison Carrier	Group Health Plan Name	Plan Comments	Deductible	Member Coinsurance	Copay	OOP Maximum	Copay-Only Office Visits	Family Multiple	Nurse Line	Basic Online Services	Service Area	Enhanced Online Services	Health Profile	Lifestyle Coaching	NCOA Accreditation	Preventive screenings covered in full	Healthy Connections Programs*	Feature 3	Feature 4	Regence Engine*	Health Coach	Special Beginnings	Feature 4
Comprehensive	Group Health	Options Welcome 200		\$200	20%	\$20	\$2,500	5	3x	Y	Y	See Map	Y	Y	Y	Y								
	Premera	Balance 500		\$500	20%	\$30	\$3,000	all	3x	Y	Y	*WA, see map						Y			Y*	Y*	Y*	
	Regence	Balance 1000		\$1,000	20%	\$30	\$5,000	all	3x															
Mid-Range	Group Health	Options Balance 500		\$500	20%	\$30	\$3,000	all	3x	Y	Y	See Map	Y	Y	Y	Y								
	Premera	Welcome 1000		\$1,000	20%	\$20	\$5,000	5	3x	Y	Y	*WA, see map						Y			Y*	Y*	Y*	
	Regence	Compass 500		\$500	20%	\$0	\$2,500	none	3x															
Catastrophic	Group Health	Options Balance \$1000	not a good match for GHC	\$1,000	20%	\$30	\$5,000	all	3x	Y	y	See Map	Y	Y	Y	Y								
	Premera	Welcome 1000		\$1,000	20%	\$20	\$5,000	5	3x	Y	Y	*WA, see map							Y					
	Regence	Welcome 1000		\$1,000	20%	\$20	\$5,000	5	3x															
CDHP	Group Health	Options H.S.A. \$1500		\$1,500	20%	\$0	\$5,100	none	2x	Y	Y	See Map	Y	Y	Y	Y								
	Premera	HealthPays 2500		\$2,500	20%	\$0	\$5,100	none	2x	Y	Y	*WA, see map									Y*	Y*	Y*	
	Regence	HealthPays 1500		\$1,500	20%	\$0	\$5,100	none	2x															

Pharmacy Benefit Features								
Generic Copay	Brand Copay	Brand Deductible	OOP Maximum	Family Multiple				
Pharmacy	Group Health	N/A	Deductible Plan					
	Premera	Group Health Rx		\$10	\$30	\$0	none	none
	Regence	Group Health Rx		\$10	\$30	\$0	none	none
	Group Health	Group Health Rx	Copay Only Plan	\$10	\$30	\$0	none	n/a
	Premera	N/A						
	Regence	N/A						

COMMENTS
Deductible
Member Coinsurance
Copay
OOP Maximum
Copay-Only Office Visits
Family Multiple
Minor Benefit Features

Specific Benefit Features

Pharmacy



Consolidated Carrier Suggestions from April Board Meeting

Category	Issuing Carrier	Plan Name	Plan Comments	Major In-Network Benefit Features						Minor Benefit Features			Premera Specific Benefit Features				Regence Specific Benefit Features				Group Health Specific Benefit Features			
				Deductible	Member Consurance	Copay	OOP Maximum	Copay-Only Office Visits	Family Multiple	Nurse Line	Basic Online Services	Service Area	Preventive screenings covered in full	Healthy Connections Programs*	Feature 3	Feature 4	Regence Engine*	Health Coach	Special Beginnings	Feature 4	Enhanced Online Services	Health Profile	Lifestyle Coaching	NCOA Accreditation
Comprehensive	Premera	Your Balance		\$750	20%	\$30	\$3,250	all	3x	Y	Y	WA	Y	Y										
	Regence	Innova 80/60/60		\$1,000	20%	\$20	\$3,000	4	3x	Y	Y	WA												
	Group Health	Welcome 200	Options Platform	\$200	20%	\$20	\$2,500	5	3x	Y	Y	See Map						Y	Y	Y	Y			
Mid-Range	Premera	Your Balance		\$2,000	20%	\$30	\$5,500	6	3x	Y	Y	WA	Y	Y										
	Regence	Engage 80/80/80		\$500	20%	\$0	\$2,500	none	3x	Y	Y	WA												
	Group Health	Balance 500	Options Platform	\$500	20%	\$30	\$3,000	all	3x	Y	Y	See Map						Y	Y	Y	Y			
Catastrophic	Premera	Your Value		\$3,500	20%	\$0	\$8,500	none	3x	Y	Y	WA	Y	Y										
	Regence	Innova 90/70/70		\$2,000	20%	\$20	\$6,000	4	3x	Y	Y	WA												
	Group Health	Balance \$1000	Options Platform	\$1,000	20%	\$30	\$5,000	all	3x	Y	y	See Map						Y	Y	Y	Y			
CDHP	Premera	Your Future		\$2,500	20%	\$0	\$5,000	none	2x	Y	Y	WA	N	Y										
	Regence	Regence HSA Healthplan	No deductible on preventive	\$1,500	20%	\$0	\$5,000	none	2x	Y	Y	WA												
	Group Health	H.S.A. \$1500	Options Platform	\$1,500	20%	\$0	\$5,100	none	2x	Y	Y	See Map						Y	Y	Y	Y			
				Pharmacy Benefit Features																				
				Generic Copay	Brand Copay	Brand Deductible	OOP Maximum	Family Multiple																
Pharmacy	Premera	Premera Rx	Deductible Plan	\$10	\$30 / \$50	\$300	none	3x																
	Group Health	N/A																						
	Regence	Regence Rx		\$7	25% / 50%	\$500	\$4,000	1x																
Pharmacy	Premera	N/A	Copay Only Plan																					
	Group Health	Group Health Rx		\$10	\$30	\$0	none	n/a																
Regence	N/A																							

COMMENTS

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Pharmacy

COMMENTS FROM PREMIERA

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Family Multiple
Minor Benefit Features

Specific Benefit Features

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Pharmacy

COMMENTS FROM REGENCE

Deductible
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Pharmacy

Issuing Carrier: Premera				Major In-Network Benefit Features						Minor Benefit Features			Premera Specific Benefit Features				Regence Specific Benefit Features				Group Health Specific Benefit Features			
Category	Comparison Carrier	Premera Plan Name	Plan Comments	Deductible	Member Coinsurance	Copay	OOP Maximum	Copay-Only Office Visits	Family Multiple	Nurse Line	Basic Online Services	Service Area	Preventive screenings covered in full	Healthy Connections Programs*	Feature 3	Feature 4	Regence Engine*	Health Coach	Special Beginnings	Feature 4	Enhanced Online Services	Health Profile	Lifestyle Coaching	NCOA Accreditation
Comprehensive	Premera	Your Choice		\$750	20%	\$30	\$3,250	all	3x	Y	Y	WA	Y	Y										
	Regence	Your Balance		\$1,000	20%	\$25	\$3,000	6	3x	Y	Y	WA	Y	Y										
	Group Health	Your Balance		\$1,000	20%	\$25	\$3,000	6	3x	Y	Y	WA	Y	Y										
Mid-Range	Premera	Your Balance		\$2,000	20%	\$30	\$5,500	6	3x	Y	Y	WA	Y	Y										
	Regence	Your Balance		\$1,000	20%	\$25	\$3,000	6	3x	Y	Y	WA	Y	Y										
	Group Health	Your Balance		\$1,000	20%	\$25	\$3,000	6	3x	Y	Y	WA	Y	Y										
Catastrophic	Premera	Your Value		\$3,500	20%	\$0	\$8,500	none	3x	Y	Y	WA	Y	Y										
	Regence	Your Value		\$3,500	20%	\$0	\$8,500	none	3x	Y	Y	WA	Y	Y										
	Group Health	Your Value		\$3,500	20%	\$0	\$8,500	none	3x	Y	Y	WA	Y	Y										
CDHP	Premera	Your Future		\$2,500	20%	\$0	\$5,000	none	2x	Y	Y	WA	N	Y										
	Regence	Your Future		\$2,500	20%	\$0	\$5,000	none	2x	Y	Y	WA	N*	Y										
	Group Health	Your Future		\$2,500	20%	\$0	\$5,000	none	2x	Y	Y	WA	N*	Y										

Pharmacy Benefit Features				
Generic Copay	Brand Copay	Brand Deductible	OOP Maximum	Family Multiple
\$10	\$30 / \$50	\$300	none	3x

Pharmacy	Premera	Premera Rx	Deductible Plan
	Regence Group Health	N/A	
	Premera	N/A	Copay Only Plan
	Regence Group Health	N/A	

COMMENTS

- Deductible
- Member Coinsurance
- Copay
- OOP Maximum
- Copay-Only Office Visits
- Family Multiple
- Minor Benefit Features
- Specific Benefit Features
- Pharmacy

Your Balance: First six in-network OV subject only to copay. **Your Value:** First six in-network OV subject only to coinsurance. Subsequent visits are subject to deductible and coinsurance. **Your Future:** OV subject only to deductible and coinsurance; ***deductible waived for preventive screenings; .**

*Healthy Connections programs include Health Risk Management, Employee Assistance Program, Disease and Case Management services, and a 24-hour Nurse Line

Consolidated Carrier Suggestions from April Board Meeting

Category	Issuing Carrier	Plan Name	Plan Comments	Major In-Network Benefit Features						Minor Benefit Features			Regence Specific Benefit Features				Group Health Specific Benefit Features				Premera Specific Benefit Features			
				Deductible	Member Consurance	Copay	OOP Maximum	Copay-Only Office Visits	Family Multiple	Nurse Line	Basic Online Services	Service Area	Regence Engine*	Health Coach	Special Beginnings	Feature 4	Enhanced Online Services	Health Profile	Lifestyle Coaching	NCOA Accreditation	Preventive screenings covered in full	Healthy Connections Programs*	Feature 3	Feature 4
Comprehensive	Regence	Innova 80/60/60	Options Platform	\$1,000	20%	\$20	\$3,000	4	3x	Y	Y	WA	Y	Y	Y									
	Group Health	Welcome 200		\$200	20%	\$20	\$2,500	5	3x	Y	Y	See Map				Y	Y	Y	Y					
	Premera	Your Balance		\$750	20%	\$30	\$3,250	all	3x	Y	Y	WA								Y	Y			
Mid-Range	Regence	Engage 80/80/80	Options Platform	\$500	20%	\$0	\$2,500	none	3x	Y	Y	WA	Y	Y	Y									
	Group Health	Balance 500		\$500	20%	\$30	\$3,000	all	3x	Y	Y	See Map				Y	Y	Y	Y					
	Premera	Your Balance		\$2,000	20%	\$30	\$5,500	6	3x	Y	Y	WA								Y	Y			
Catastrophic	Regence	Innova 90/70/70	Options Platform	\$2,000	20%	\$20	\$6,000	4	3x	Y	Y	WA	Y	Y	Y									
	Group Health	Balance \$1000		\$1,000	20%	\$30	\$5,000	all	3x	Y	y	See Map				Y	Y	Y	Y					
	Premera	Your Value		\$3,500	20%	\$0	\$8,500	none	3x	Y	Y	WA								Y	Y			
CDHP	Regence	Regence HSA Healthplan	No deductible on preventive	\$1,500	20%	\$0	\$5,000	none	2x	Y	Y	WA	Y	Y	Y									
	Group Health	H.S.A. \$1500	Options Platform	\$1,500	20%	\$0	\$5,100	none	2x	Y	Y	See Map				Y	Y	Y	Y					
	Premera	Your Future		\$2,500	20%	\$0	\$5,000	none	2x	Y	Y	WA							N	Y				
Pharmacy	Regence	Regence Rx	Deductible Plan	\$7	25 / 50%	\$500	\$4,000	1x																
	Group Health	N/A																						
	Premera	Premera Rx		\$10	25% / 50%	\$300	none	3x																
	Regence	N/A	Copay Only Plan	\$10	\$30	\$0	none	n/a																
Group Health	Group Health Rx																							
	Premera	N/A																						

COMMENTS FROM GROUP HEALTH

Deductible
Member Coinsurance

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Copay
OOP Maximum
Copay-Only Office Visits
Family Multiple
Minor Benefit Features

Specific Benefit Features

All Rx offers online refills with \$5 montly discount. GH medical center patients have access to MyGroupHealth enhanced suite of services, including secure messaging with their doctor, online test results and visit summaries, health risk assessment that is shared between doctor and patient. Lifestyle coaching outreach and support with health professionals. GH is a recognized leader in healthcare quality and transparency, NCQA "excellent".

Pharmacy

COMMENTS FROM PREMIERA

Deductible
Member Coinsurance
Copay
OOP Maximum
Copay-Only Office Visits

Your Balance: First six in-network OV subject only to copay. Your Value: First six in-network OV subject only to coinsurance. Subsequent visits are subject to deductible and coinsurance. Your Future: OV subject only to deductible and coinsurance; *deductible waived for preventive screenings; .

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Minor Benefit Features

Specific Benefit Features

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Pharmacy

COMMENTS FROM REGENCE

Deductible
Member Coinsurance
Copay
OOP Maximum
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Minor Benefit Features

Deductible may not apply to specified services

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Specific Benefit Features

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Pharmacy

Issuing Carrier: Regence				Major In-Network Benefit Features						Minor Benefit Features			Regence Specific Benefit Features				Group Health Specific Benefit Features				Premera Specific Benefit Features			
Category	Comparison Carrier	Regence Plan Name	Plan Comments	Deductible	Member Coinsurance	Copay	OOP Maximum	Copay-Only Office Visits	Family Multiple	Nurse Line	Basic Online Services	Service Area	Regence Engine*	Health Coach	Special Beginnings	Feature 4	Enhanced Online Services	Health Profile	Lifestyle Coaching	NCQA Accreditation	Preventive screenings covered in full	Healthy Connections Programs*	Feature 3	Feature 4
Comprehensive	Regence	Innova 80/60/60	4 upfront OV's	\$1,000	20%	\$20	\$3,000	4	3x	Y	Y	RBS WA	Y	Y	Y		*	*	*					
	Group Health	Innova 80/60/60	6 upfront Ovs	\$250	20%	\$20	\$3,250	6	3x	Y	Y	RBS WA	Y	Y	Y		*	*	*					
	Premera	Innova 80/60/60	unlimited upfront Ovs	\$750	20%	\$30	\$3,750	all	3	Y	Y	RBS WA	Y	Y	Y		*	*	*			*		
Mid-Range	Regence	Engage 80/80/80		\$500	20%	\$0	\$2,500	none	3x	Y	Y	RBS WA	Y	Y	Y		*	*	*					
	Group Health	Innova 80/60/60	unlimited upfront Ovs	\$500	20%	\$30	\$3,500	All	3X	Y	Y	RBS WA	Y	Y	Y		*	*	*					
	Premera	Innova 80/60/60	6 upfront Ovs	\$2,000	20%	\$30	\$6,000	6	3X	y	y	RBS WA	Y	Y	Y		*	*	*			*		
Catastrophic	Regence	Innova 80/60/60	4 upfront OV's	\$2,000	20%	\$20	\$6,000	4	3x	Y	Y	RBS WA	Y	Y	Y		*	*	*					
	Group Health	Innova 80/60/60	unlimited upfront Ovs	\$1,000	20%	\$30	\$5,000	All	3X	Y	Y	RBS WA	Y	Y	Y		*	*	*					
	Premera	Engage 80/80/80		\$5,000	20%	\$0	\$8,000	none	3X	y	y	RBS WA	Y	Y	Y		*	*	*			*		
CDHP	Regence	Regence HSA Healthplan	No deductible on preventive	\$1,500	20%	\$0	\$5,000	none	2x	Y	Y	RBS WA	Y	Y	Y		*	*	*					
	Group Health	Regence HSA Healthplan	No deductible on preventive	\$1,500	20%	\$0	\$5,000	none	2x	Y	Y	RBS WA	Y	Y	Y		*	*	*					
	Premera	Regence HSA Healthplan	No deductible on preventive	\$2,500	20%	\$0	\$5,000	none	2X	y	y	RBS WA	Y	Y	Y		*	*	*			*		

Pharmacy Benefit Features					
Generic Copay	Brand Copay	Brand Deductible	OOP Maximum	Family Multiple	
\$7	25%/50%	\$500	\$4,000	1x	Deductible Plan
\$10	35%/50%	\$250	\$5,000	1x	
\$10	35%/50%	\$0	\$5,000	1x	Copay Only Plan

COMMENTS	
Deductible	Deductible may not apply to specified services
Member Coinsurance	
Copay	
OOP Maximum	Out of Pocket reflects deductible and coinsurance responsibility. Medical copays, and Prescription drug brand deductible do not accrue to Out of Pocket Maximum
Copay-Only Office Visits	Innova offers your choice 4,6, or unlimited to use for sick and preventive needs
Family Multiple	
Minor Benefit Features	*Regence Engine programs include Health Costs Estimator, Care Options, Health Risk Assessment, and Health Calculator
Specific Benefit Features	Self managed plans let your employees personalize their care by making decisions that directly affect their costs and how they access care. Please see our website www.regence.com for more information. Regence Engine, Health Coach, CareEnhance, Special Beginings etc are plan features, not insured benefits
Pharmacy	Brand deductible does not accrue to the member's out-of-pocket maximum

TAC Survey

Group Health Cooperative

Question 1:

What should be the overall guiding philosophy when designating health benefit plans? (For example, low up-front costs vs. ultimately lower out of pocket costs)

Answer:

Affordability of premium and overall cost are both important. Employers who have not been able to offer coverage in the past benefit from the HIP because their minimum contribution is lowered, but it is also important to make the overall price point as affordable as possible while still offering good value to the employer and those ultimately served, the employees and families.

At this point, Group Health believes that we should bear in mind that we are not yet in a situation where employees with different family income and needs can choose different products that meet their particular circumstances. Particularly with the passage of the HIP amendments, it's clear that most of the employees will be low wage and many if not most will have very modest family income. When the board considers plan design and deductible levels, the "fit" of the policies for lower income families would be important, both in terms of their ability to stay well, and get meaningful benefit in the event poor health arises.

The research data that was shared in a previous email are important to consider. Although the premiums for high deductible plans are more affordable than for more comprehensive policies, they can also expose people to thousands of dollars in up front financial risk. For many, this type of plan design provides good value. However, for many low income families, the data show that patients defer or forego needed care, and in addition they may not benefit from the same kind of meaningful financial protection as might families with greater income and asset levels. We therefore believe that the HIP should keep deductibles and out of pocket maximums at more modest level than what might be offered in the rest of the private market.

Question 2:

What should be done to avoid risk segmentation between plan designs?

Answer:

Assure that the plans at the leaner end of the spectrum are roughly actuarially equivalent, and have similar deductible and out of pocket limits. Avoid a separate Rx deductible aimed at brand name drugs, for reasons stated below.

Question 3:

What should be the maximum out of pocket expenses?

Answer:

We prefer no more than a \$1,500 deductible and annual out of pocket limit of around \$5,000 (individual.) We are willing to consider \$2500 with a similar out of pocket if the board wishes. For the reasons stated above, we would not wish the HIP go beyond this point -either on deductible or out of pocket for this group.

Question 4:

What are the most important features of the pharmacy coverage?

Answer:

We believe that it is important to use cost sharing strategies such as coinsurance or copayments for pharmaceuticals to steer members towards generics where appropriate, and to encourage both price sensitivity and medication adherence. However, we would not favor a separate deductible for brand name drugs, particularly for a lower income population. We are concerned about these both from a patient care perspective, and also from a risk segmentation perspective. Just to choose one illustrative example, no generic version of insulin is available, and the brand name version is essential for patients with diabetes. A brand name deductible would mean that some patients-particularly low income patients- would forego their insulin. The downstream financial and health costs of non adherence are considerable. Additionally, this type of plan design "encourages" those with predictable Rx needs to migrate to health plans that offer coverage with no separate brand name drug deductible.

Regence

Question 1:

What should be the overall guiding philosophy when designating health benefit plans? (For example, low up-front costs vs. ultimately lower out of pocket costs)

Answer:

In short, our philosophy could be stated as it's better to have some coverage than none. There are two primary factors that must be considered. First, since this is a group product, the employer must be willing to sponsor a plan. In this case, sponsorship will require a contribution of at least 40% of the employee cost. For many small employers this cost will be their first consideration. The second consideration is whether employees will then sign up in enough numbers to meet the minimum participation requirements. If these two prerequisites cannot be met, the question of up front cost vs. lower out of pocket cost is moot. The current proposed methodology for subsidy calls for granting subsidies based on the employee income and portion of rate for which they are responsible. Therefore we would suggest the board adopt a maximum rate for which subsidies will be granted, and designate all plans proposed by the participating carriers below that rate. This would have the effect of limiting the maximum subsidies, thereby making limited subsidy money available to a greater number of participants. The decision of low up front cost vs. out of pocket costs is then transferred to the purchaser. It is our belief that the purchaser is the proper place for the choice to be made.

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What should be done to avoid risk segmentation between plan designs?

Answer:

The initial implementation plan essentially adopting current market underwriting rules, will result in a market similar to that which exists today. The market has evolved a range of benefit plans and rates from each carrier in which they feel successful competition may be accomplished. The potential for risk segmentation occurs through the adoption of artificial categories, such as "comprehensive" or "mid range". The use of such categories will require that designated plans be very close to each other in benefit value, and price, to avoid introduction of new pressures for risk segmentation. We would suggest that the board choose plans with actuarial value, as determined by the Partnership's actuary, within 3% of each other. At this point the requirement that a sponsoring small group be restricted to the choice of one plan is critical. Additionally, change in benefit plans should only be allowed at the plan anniversary.

Question 3:

What should be the maximum out of pocket expenses?

Answer:

We strongly believe that this is a decision for the purchaser to make.

Question 4:

What are the most important features of the pharmacy coverage?

Answer:

It is our belief that pharmacy coverage should encourage the use of generic drugs. At the same time coverage for brand drugs should be included with a structure that emphasizes member responsibility in purchasing decisions.

Mark Newbold

I have reviewed Jim Pinkerton's input and would concur wholeheartedly with his observations & suggestions. In my professional opinion, TAC needs to adopt Jim's recommendations in order for the HIP offerings to have any chance of success. With the limited amount of dollars available for subsidies, it's critically important that offerings be designed effectively and that the HIP options not compete directly with options already available in the marketplace for those employers who already sponsor a group medical plan for their employees. I think Jim's recommendations will do that.

Premera

Question 1:

What should be the overall guiding philosophy when designating health benefit plans?

Answer:

- Engaging the consumer in the cost of health care
- Providing the consumer the information they need to make better health care decisions
- Reduce anti-selection to help control costs
- Use products that do not require customization to ensure consistency with direct pool and keep administration costs down
- Employees need to have “skin in the game” from the standpoint of premium and out-of-pocket expenses to help keep costs down

Question 2:

What should be done to avoid risk segmentation between plan designs?

Answer:

- Risk segmentation would be non-existent if all insurers administered the same set of products
- Uniform products offered through the HIP allow insurers to compete on financial management, provider cost structure, and service levels

Question 3:

What should be the maximum out of pocket expenses?

Answer:

- HIP should determine maximum out of pocket expenses
- It is not unreasonable to consider a maximum out of pocket in the range of \$5,000 - \$7,000
- Higher out of pocket maximum can help reduce the price point for the insurance products being offered through HIP
- Design products with the future enrollees in mind: who are they and what can they afford?

Question 4:

What are the most important features of the pharmacy coverage?

Answer:

- Emphasis on generics
- Emphasis on mail order
- Controls that encourage generics such as not recognizing dispensed as written – this keeps costs down

Susan Pittman

Guiding Philosophy-

Plans should be offered that are similar to what employers are able to provide currently in the small group market place. Many employers are unable to offer \$200 deductibles. A minimum deductible of \$500 is not too high when compared with other small group employers. I believe it is also important to care for the carriers we have - one piece of this is to allow the employees to assume responsibility for understanding the cost of medical care. This is something that we all need to face even those that are *currently* low income.

Out-of-pocket costs are actually what can devastate an individual or family - this is where insurance is really needed. Any of our small group plans provide this coverage. In my opinion, keeping deductibles higher and out-of-pockets reasonable makes sense.

Another thought - I have a number of groups that choose a high deductible not only to keep costs down, but also because plan usage is low. This is true for many groups with a younger population. They don't see the need to pay for something that is not used - presumably many of the groups will fall into this category.

Prescription drug coverage. This is a difficult area because the costs can also add up quickly. Plan designs are different. To help mitigate the cost for the carriers it may make sense for plans with lower deductibles to have more out-of-pocket with regard to prescription benefits. This may seem counterintuitive - but it helps spread the risk. For instance you may offer a \$500 deductible plan with a prescription drug deductible and coinsurance, but a \$1500 deductible plan with a \$10/20/40 prescription benefit.

Offer an HSA option - especially to young groups. Prescription cost goes to the deductible first - but if the deductible is met the prescription cost can actually be more favorable than continuing to pay co-pays.

Risk Segmentation-

Make the actuarial costs similar in different ways. See the example above.

Maximum Out-of-pocket-

- \$5,000/individual, \$15,000/family
- Maximum deductible - \$1,500 - 3 per family
- Maximum annual cost to a member \$6,500/\$19,500 - family

3 Plan Designs - Deductible and Out-of-Pocket

- \$500 deductible, \$3000 out-of-pocket including deductible
- \$750 or \$1000 deductible, \$4750 or \$5000 out-of-pocket including deductible
- \$1500 deductible, \$6500 out-of-pocket including deductible
- 3 Deductibles and Out-of-Pockets per family

Pharmacy

Comprehensive prescription coverage is important - but I think HIP needs to be moderate in its approach. I would follow the carriers lead on this and consider deductible and/or coinsurance options. Washington has the Basic Health Plan available for those who would like to choose it. Again - Offer an HSA option - especially to young groups. Prescription cost goes to the deductible first - but if the deductible is met the prescription cost can actually be more favorable than continuing to pay co pays.

Final Note

HIP should offer plans that not only enrich people's lives but make sense for the employer to offer, tax payers to contribute to and employees to buy. Plans that are too rich won't accomplish that.

Mark Newbold

I concur wholeheartedly with Susan Pittman's recommendations. Her comments, suggestions, etc. reflect what we are seeing in the marketplace. The key to the success of HIP offerings will be to make the coverage affordable/cost-effective. Rich benefit plans will not be sustainable in the long-run.

Also, any public funds to be used as subsidies should be used to help first-time purchasers of medical insurance and not be expanded to include groups that already purchase private insurance.