

# New Hampshire Premium Assistance Program

Revised Cost Sharing Design / Out-of-Pocket Max

Presented by:

John D. Meerschaert, FSA, MAAA  
Principal and Consulting Actuary

January 22, 2015



# Revised Plan Design (12-18-2014)

High Value Silver Plan 94% Actuarial Value Plan				
Overall Deductible				\$325
Service Specific Deductibles				
			Medical	\$0
			Brand Drugs	\$0
			Dental	\$0
Member Out of Pocket Maximum (all services combined – does not include deductible)				\$600
General Service Description	Subject to Deductible	Unit of Service	Copays	Coinsurance
Behavioral Health - IP	Yes	Admission	\$125	100%
Behavioral Health - OP	Yes	Visit	\$0	100%
Behavioral Health - Professional	No	Visit	\$0	100%
Durable Medical Equipment	Yes	Service	\$0	100%
Emergency Room Services	Yes	Visit	\$0	100%
High Cost Imaging (CT/PET Scans, MRIs)	No	Visit	\$35	100%
Hospital Inpatient	Yes	Admission	\$125	100%
Lab and Radiology	No	Visit	\$0	100%
Skilled Nursing Facility	Yes	Admission	\$0	100%
Other	Yes	Visit	\$0	100%
Other Medical Professionals	No	Visit	\$8	100%
Hospital Outpatient Facility	Yes	Visit	\$0	100%
Primary Care Physician	No	Visit	\$0	100%
Specialty Physician	No	Visit	\$8	100%
Pharmacy - Generics	No	Prescription	\$4	100%
Pharmacy - Preferred Brand Drugs	No	Prescription	\$8	100%
Pharmacy - Non-Preferred Brand Drugs	No	Prescription	\$8	100%
Pharmacy - Specialty Drugs	No	Prescription	\$8	100%
Draft 2016 AV Calculator Result				95.0%

# Maximum Out-of-Pocket Limit

- Aggregate cost-sharing maximum of no more than 5% of quarterly household income
  - Estimate of 2016 FPL = \$12,000
  - Quarterly limit =  $\$12,000 * 5\% / 4 = \$150$
- The revised plan design will result in most people with an inpatient admission hitting the quarterly out-of-pocket maximum
  - \$125 copay for acute care and behavioral health admissions
  - Impacts less than 10% of members each year
  - Can carriers flag members with an admission and report to DHHS?

# Maximum Out-of-Pocket Limit

- Example of non-inpatient services needed to exceed \$150 in quarterly cost sharing:
  - Unlimited PCP visits (unlimited \* \$0 = \$0)
  - 3 specialist visits (3 \* \$8 = \$24)
  - 1 MRI (1 \* \$35 = \$35)
  - 4 monthly generic drugs (12 \* \$4 = \$48)
  - 3 monthly brand drug (9 \* \$8 = \$72)
- Biggest risk is likely to be high drug utilizers
  - Can carriers flag members with high drug usage and report to DHHS?
- Very few people will use this many services in a quarter

# Caveats and Limitations

- This information was prepared for the State of New Hampshire and its advisors to assist in discussions regarding the Premium Assistance Program 1115 waiver design. It may not be appropriate for other purposes. Please do not share it with others without our written permission.
- The information presented in this document is for discussion only.
- The terms of Milliman's contract with the New Hampshire Department of Health and Human Services signed on November 16, 2012 apply to this information and its use.