

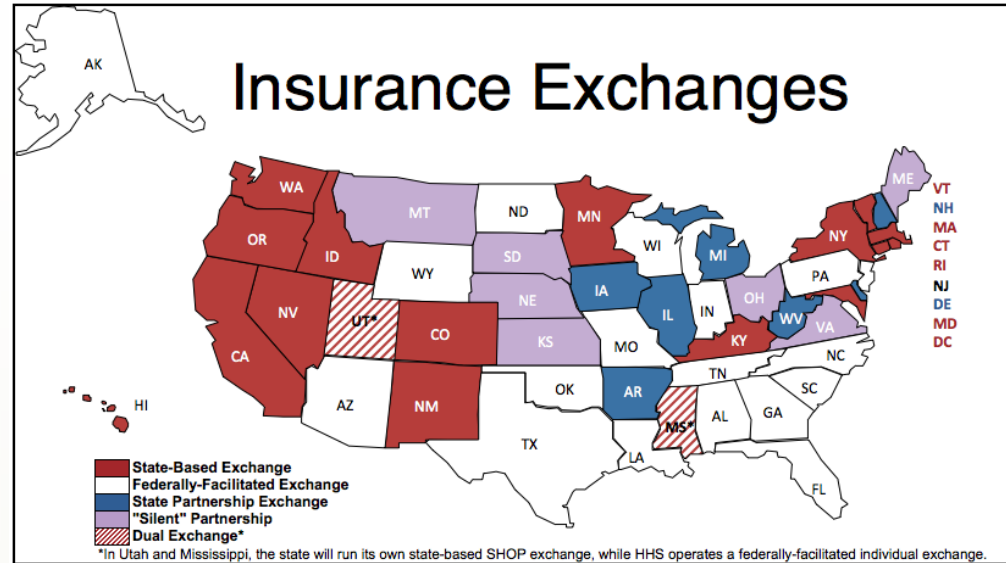
# The New ACA Health Insurance Exchanges

Benefit Designs Relating to Prescription Medicines and Other Health Care Items and Services

BREAKAWAY  
HEALTH

# Overview of Presentation: Summary of National Data

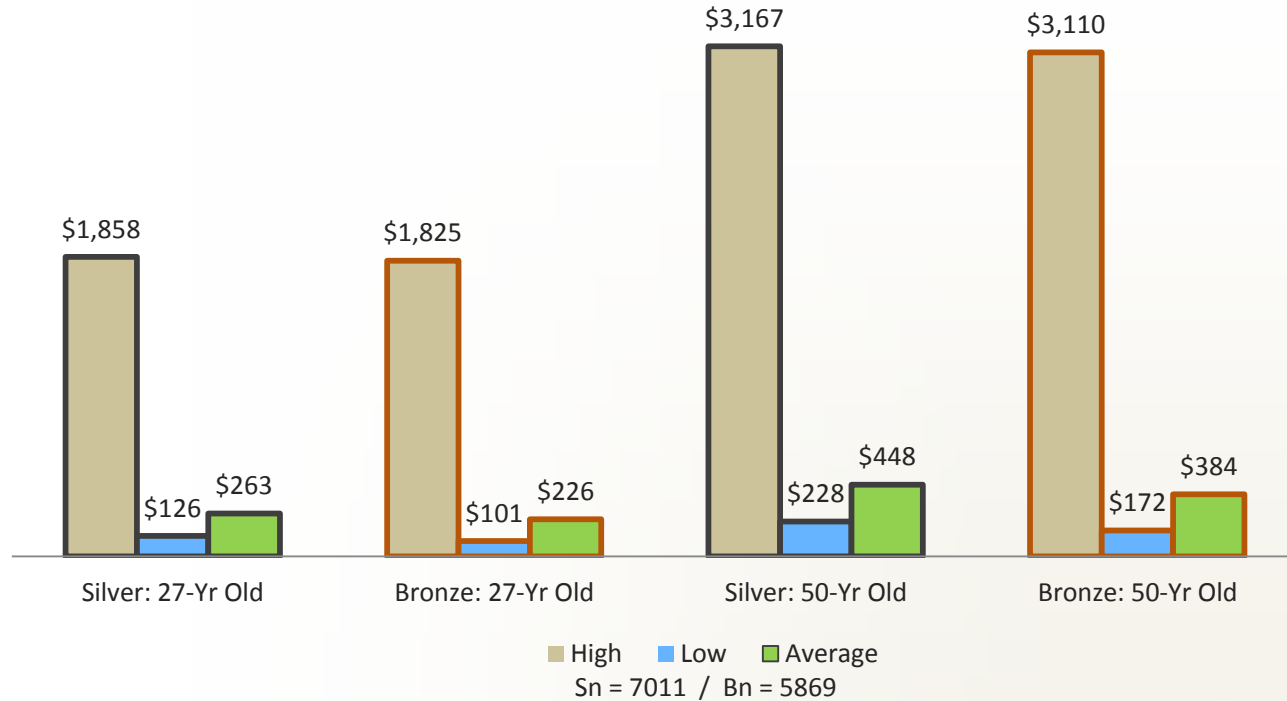
- Executive Summary
- National Marketplace
  - Deductibles
  - Out-of-Pocket Maximums
  - Cost Sharing
    - Prescription Drugs
    - Physician Visits
    - Emergency Room Visits



The image features a central horizontal banner with a gradient from orange to red, containing the text 'EXECUTIVE SUMMARY' in white. The background is white with large, abstract shapes in orange and red. On the right side, there is a large orange shape with a red segment at the top and a white segment at the bottom. On the left side, there is a red shape at the bottom and an orange shape at the top.

# EXECUTIVE SUMMARY

# Bronze and Silver Plan Average Premiums are Comparable

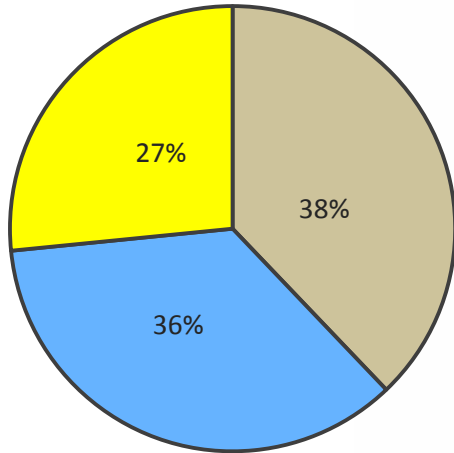


\*Sn: total number of Silver plans  
\*\*Bn: total number of Bronze plans

# Average Deductibles

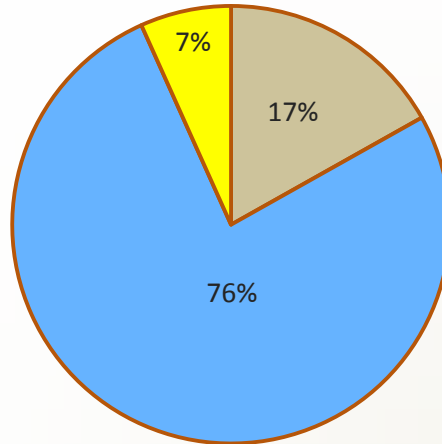
## Most Silver Plans Subject Rx to Deductible

Sn = 1204

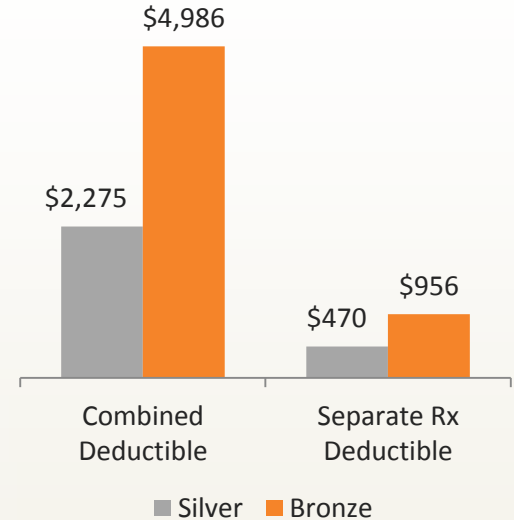


## Nearly All Bronze Plans Subject Rx to Deductible

Bn = 1056



## Average Deductibles Higher in Bronze Plans



No Deductible for Rx
  Combined Deductible for Medical and Rx
  Separate Rx Deductible

\*Combined deductible: A combined deductible means both medical and drug charges contribute to a total plan-level deductible

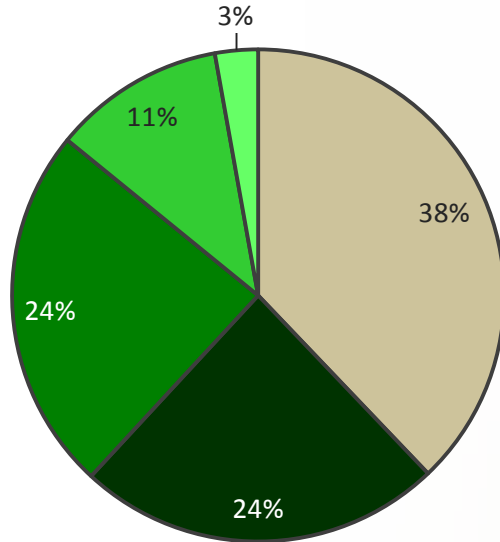
\*\*Separate Rx deductible: A separate Rx deductible means that drug charges contribute to a separate plan-level deductible

\*\*\*23 Silver plans have a zero dollar combined deductible and 251 Silver and Bronze plans have a zero dollar separate Rx deductible

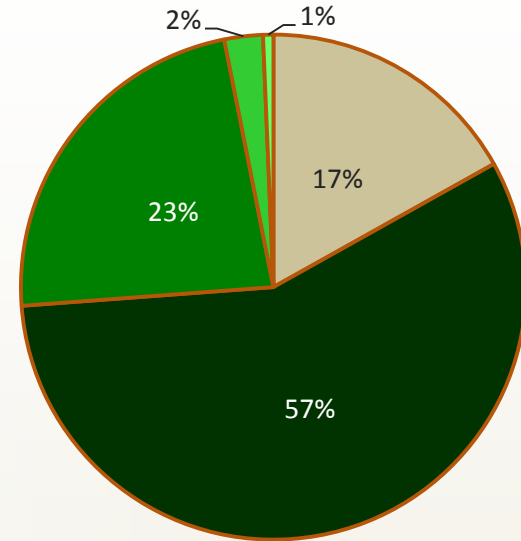
\*\*\*\* Sn: total number of unique Silver plans; Bn: total number of unique Bronze plans

# Rx is More Often Subject to Deductibles in Bronze Plans

Proportion of Silver Plans Subjecting Rx to Deductible



Proportion of Bronze Plans Subjecting Rx to Deductible\*\*

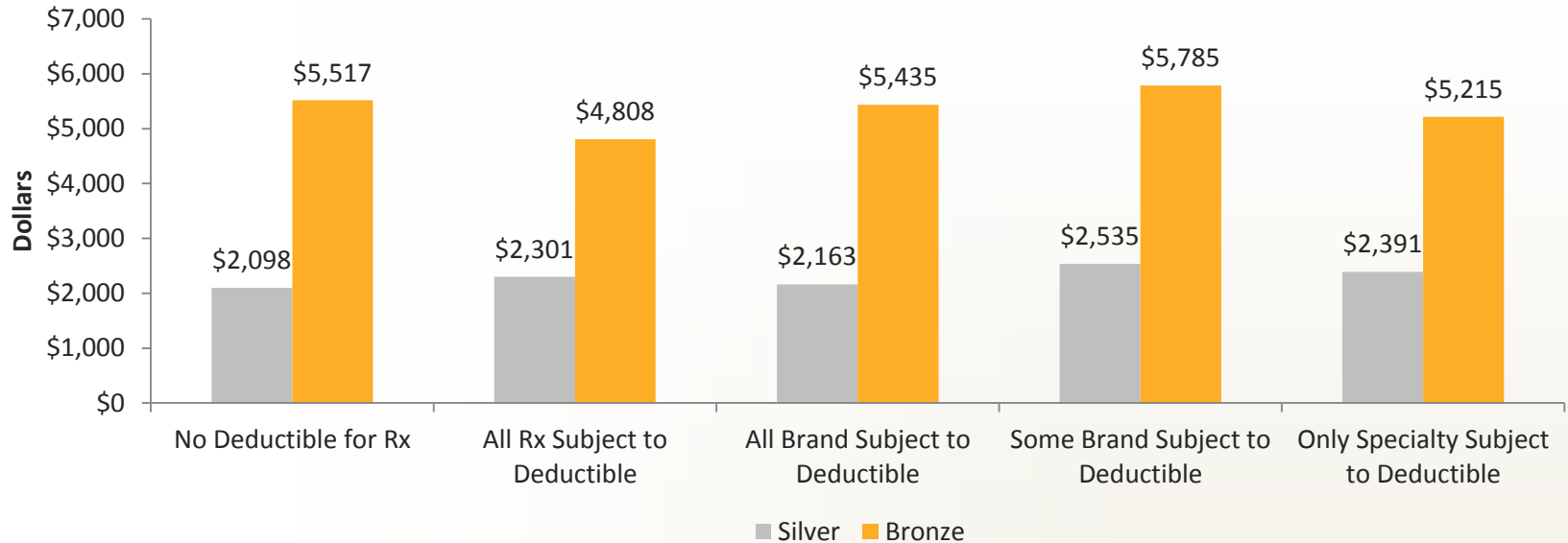


- No Deductible for Rx
- All Rx Subject to Deductible
- All Brand Subject to Deductible
- Some Brand Subject to Deductible
- Only Specialty Subject to Deductible

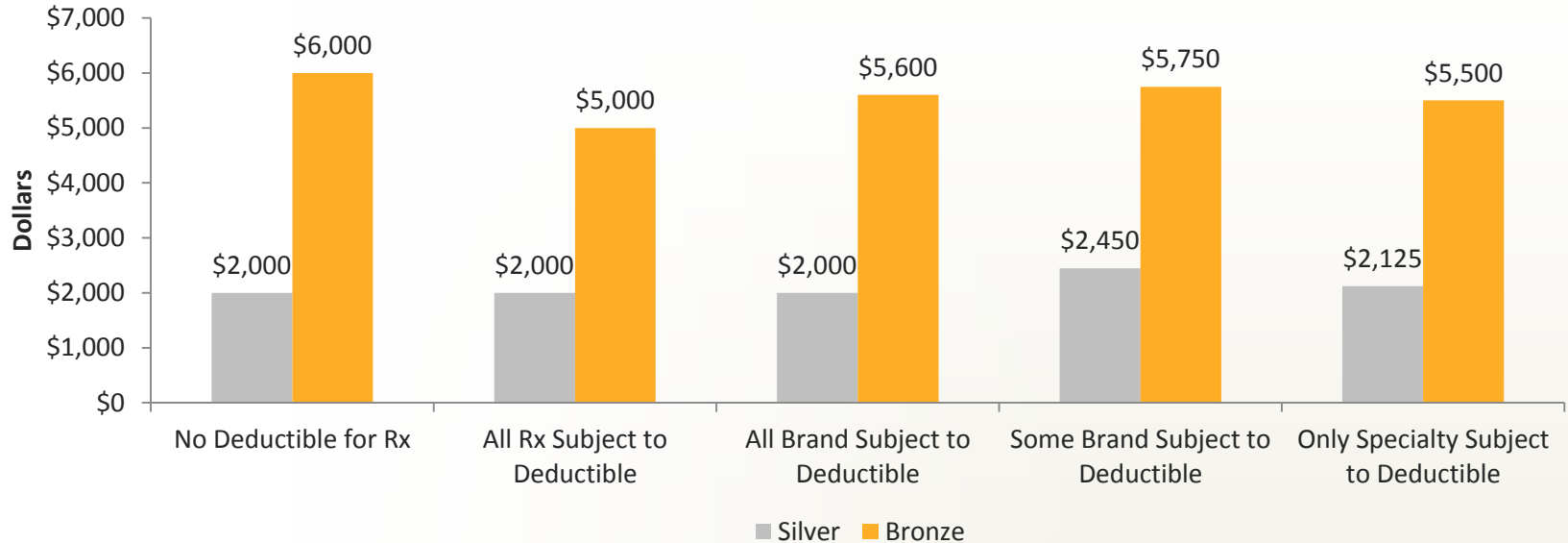
\*Data is for both combined and separate Rx deductibles

\*\*Two bronze plans do not fit into the categories highlighted above, because they subject generic and preferred brand Rx to the deductible but exempt specialty Rx

# Average Combined Deductibles

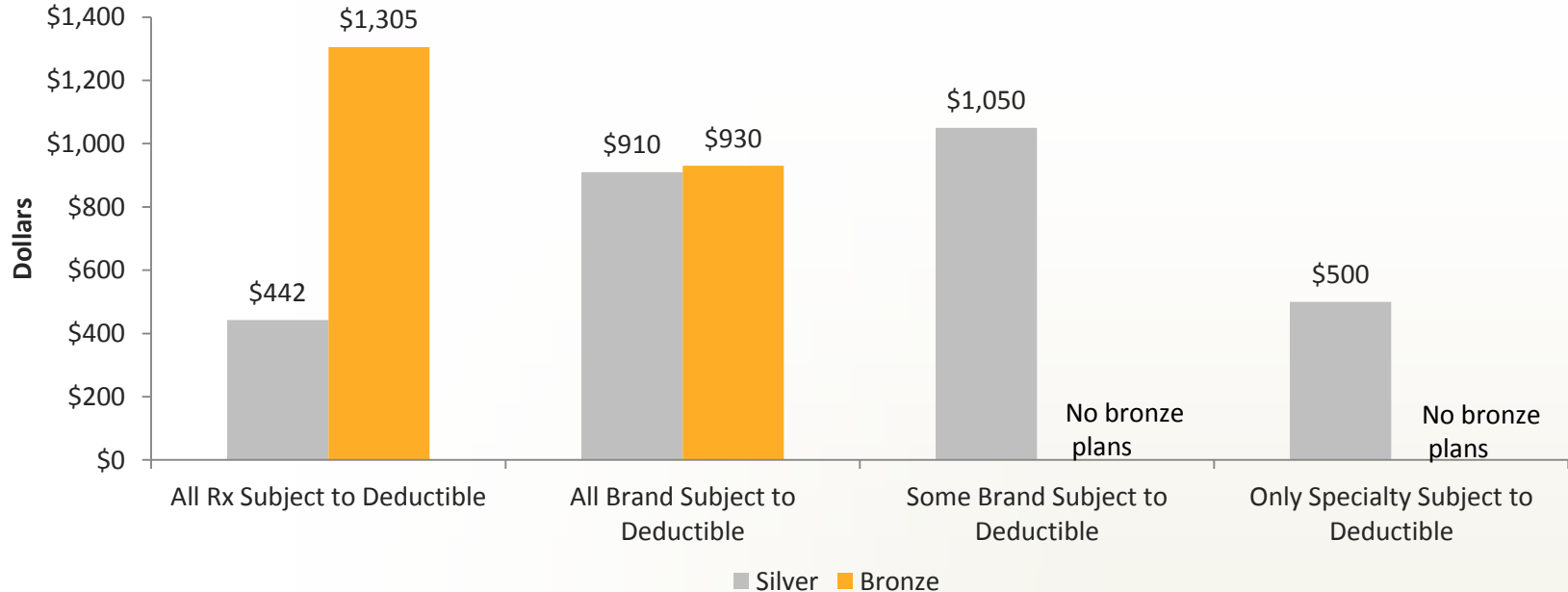


# Median Combined Deductibles



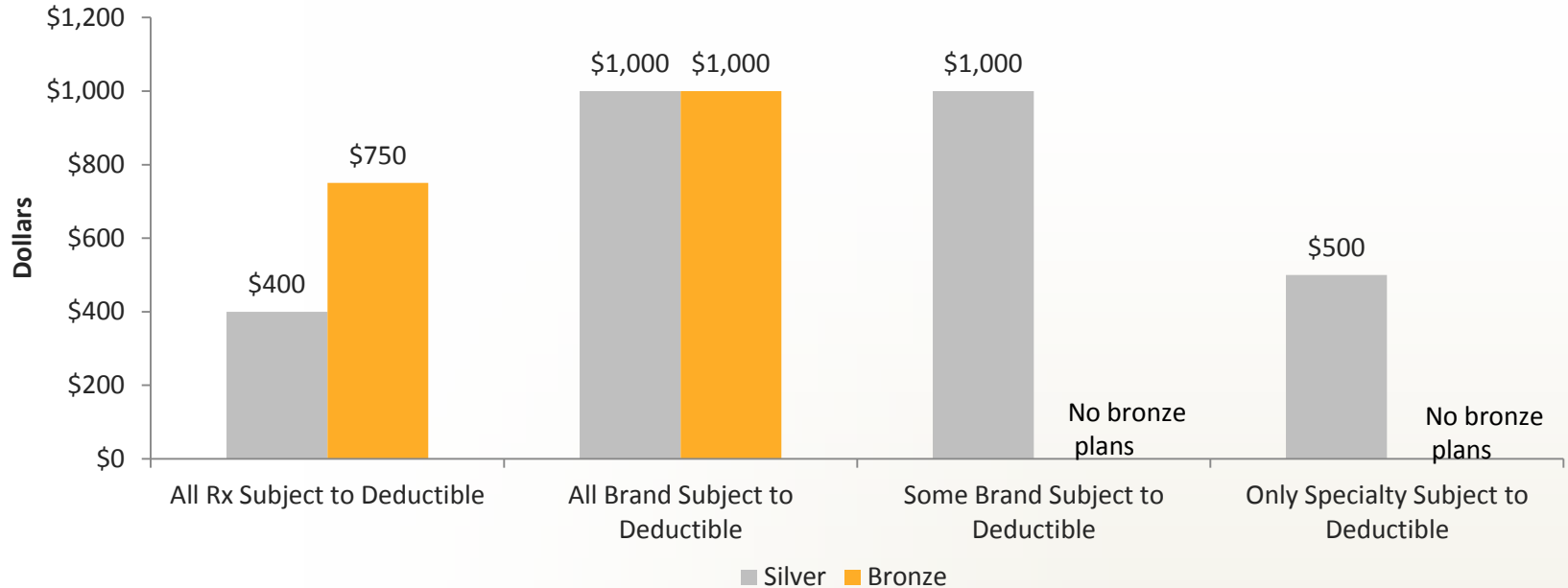


# Average Separate Rx Deductibles



- 266 Silver plans list a separate Rx deductible but do not subject any Rx to the deductible. In most cases the deductible is \$0, however 17 Silver plans list a separate Rx deductible with the average being \$20.
- 32 Bronze plans list a separate Rx deductible but do not subject any Rx to the deductible. In most cases the deductible is \$0, however 6 Bronze plans list a separate Rx deductible with the average being \$55.

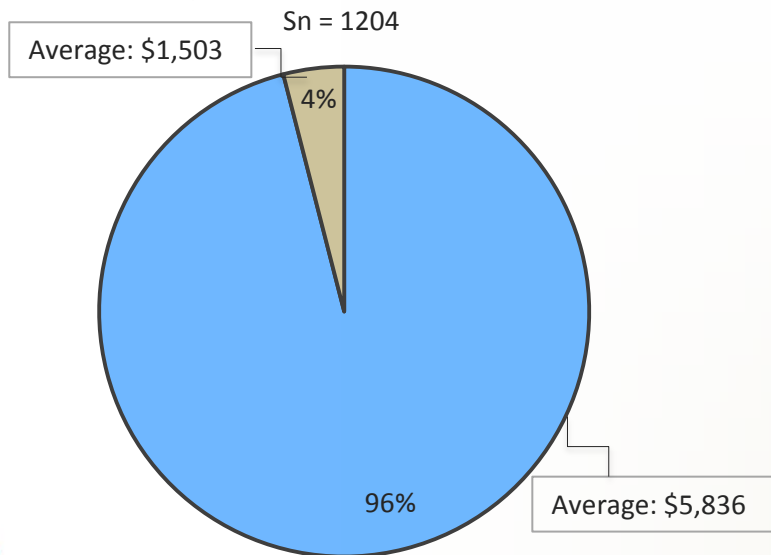
# Median Separate Rx Deductibles



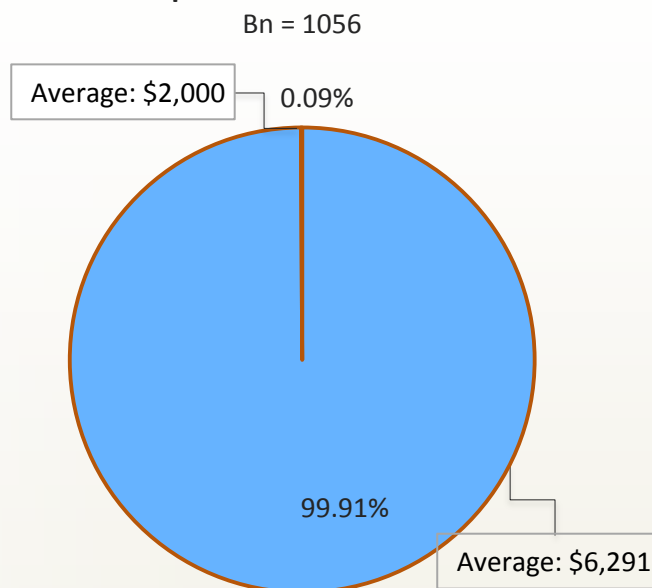
- 266 Silver plans list a separate Rx deductible but do not subject any Rx to the deductible. In most cases the deductible is \$0, however 17 Silver plans list a separate Rx deductible greater than \$0.
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# Nearly All Silver and Bronze Plans Have a Combined Out-of-Pocket Maximum

Proportion of Silver Plans with Combined vs. Separate Rx OOP Maximum



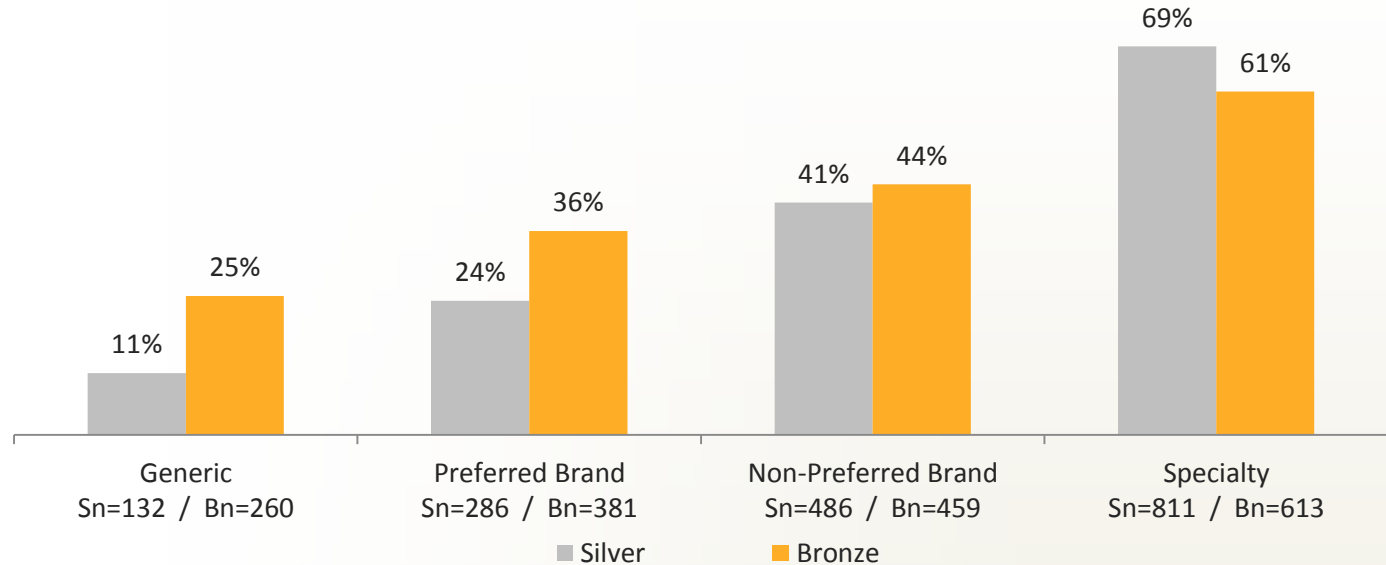
Proportion of Bronze Plans with Combined vs. Separate Rx OOP Maximum



■ Combined OOP Maximum ■ Separate Rx OOP Maximum

\*Sn refers to the total number of unique Silver plans  
\*\*Bn refers to the total number of unique Bronze plans

# Percent of Plans with Coinsurance by Tier



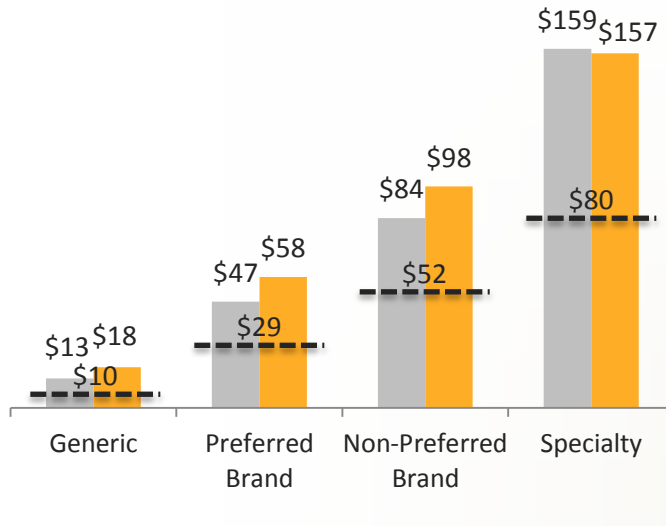
*\*Cost sharing patterns may differ if service is subject to a deductible*

*\*\*Sn: total number of Silver plans that charge coinsurance*

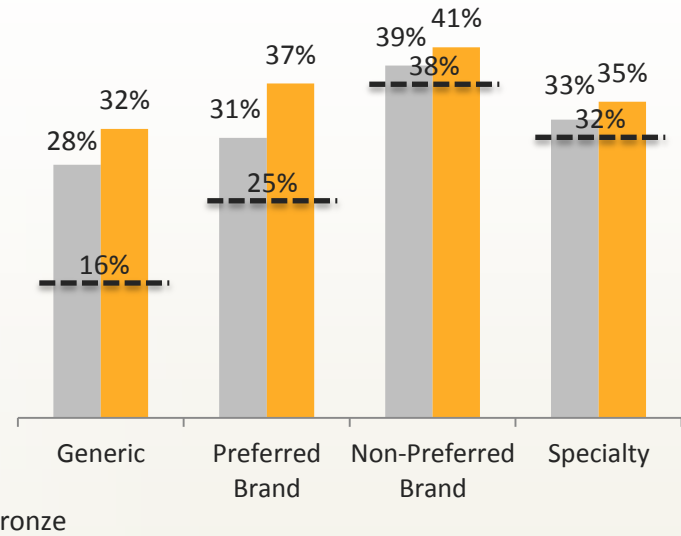
*\*\*\*Bn: total number of Bronze plans that charge coinsurance*

# Average Cost Sharing in Each Tier

## Average Copays



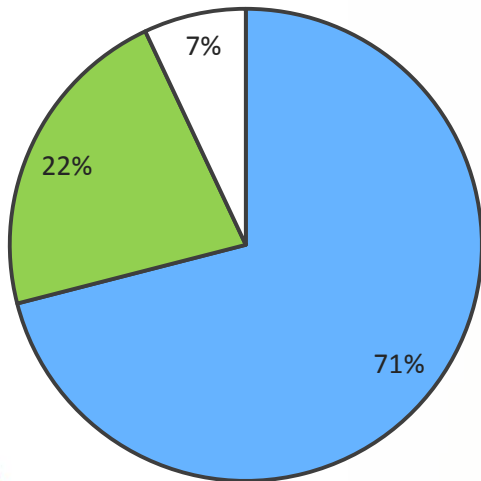
## Average Coinsurance



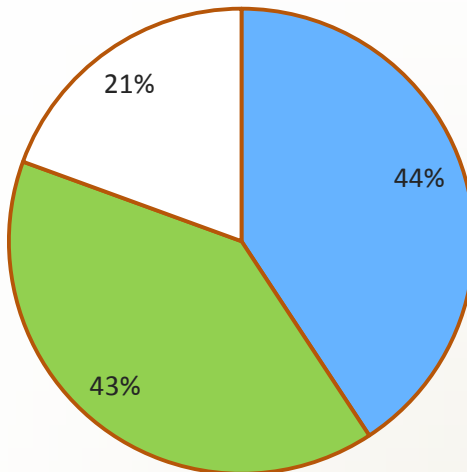
--- Employer Average

# Silver Plans Almost Twice as Likely as Bronze to Use Copays for Primary Care Visit

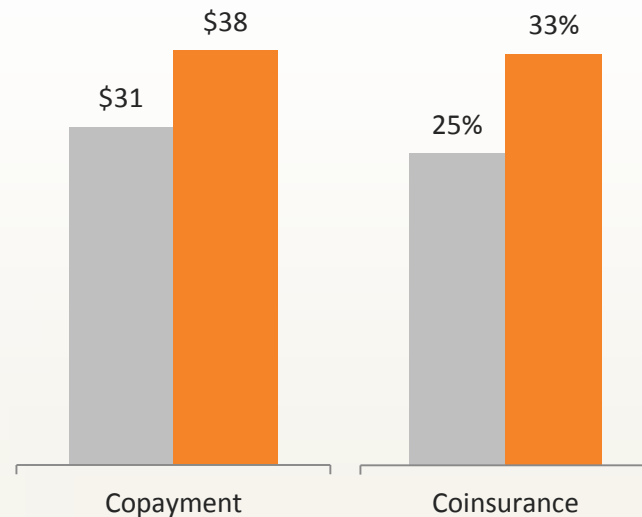
### Silver Plan PCP Visit Cost Sharing



### Bronze Plan PCP Visit Cost Sharing



### Average PCP Cost Sharing



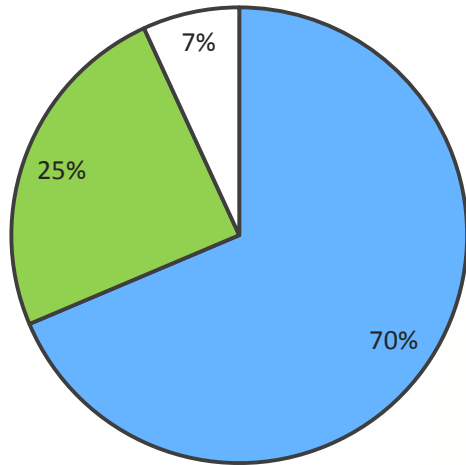
Copayment    Coinsurance    No Cost Sharing\*

Silver    Bronze

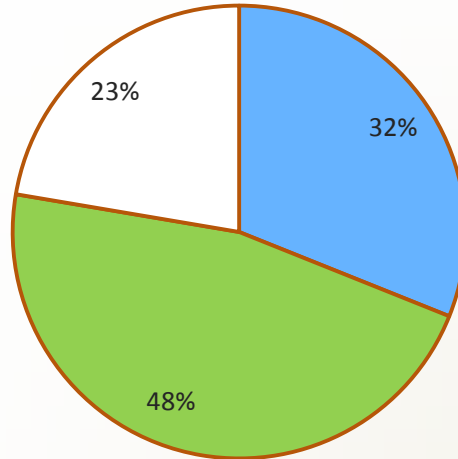
*\*No Cost Sharing: Plans charge \$0, 0%, or list "no charge" as applicable cost sharing for an individual. This generally applies after the deductible has been met*

# Silver Plans Almost Twice as Likely as Bronze to Use Copays for Specialist Visits

**Silver Plan Specialist Visit Cost Sharing**

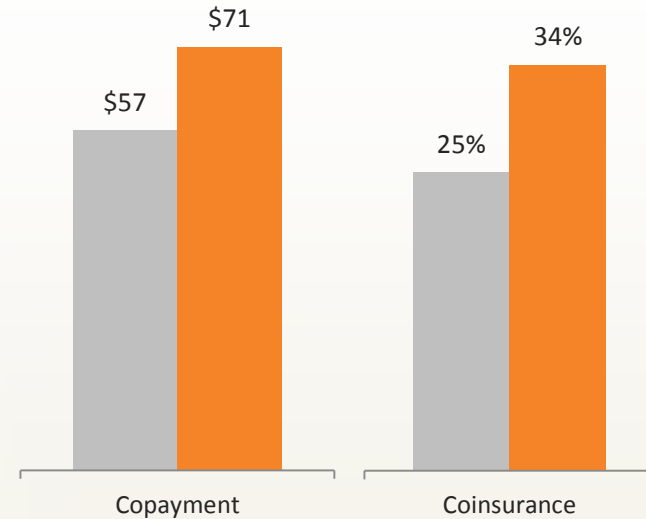


**Bronze Plan Specialist Visit Cost Sharing**



■ Copayment ■ Coinsurance ■ No Cost Sharing\*

**Average Specialist Cost Sharing**

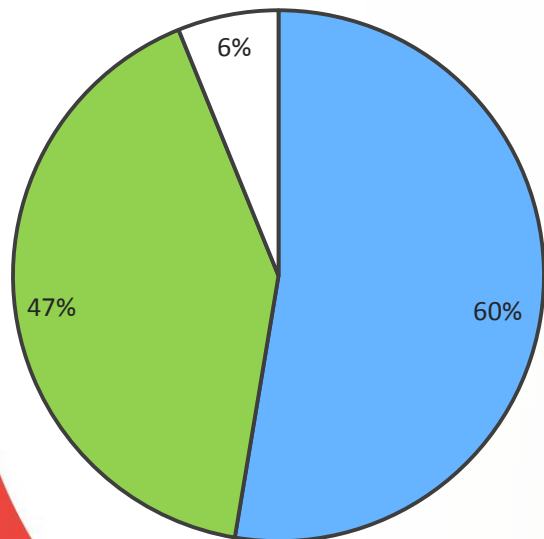


■ Silver ■ Bronze

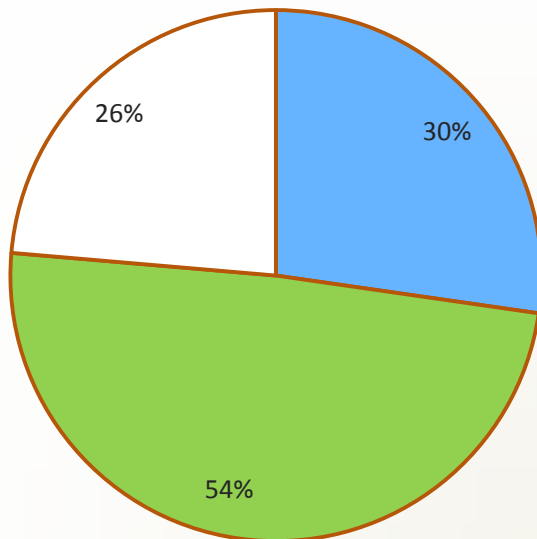
\*No Cost Sharing: Plans charge \$0, 0%, or list "no charge" as applicable cost sharing for an individual. This generally applies after the deductible has been met

# Silver Plans Twice as Likely as Bronze to Use Copays for Emergency Room Visits

### Silver Plan ER Cost Sharing

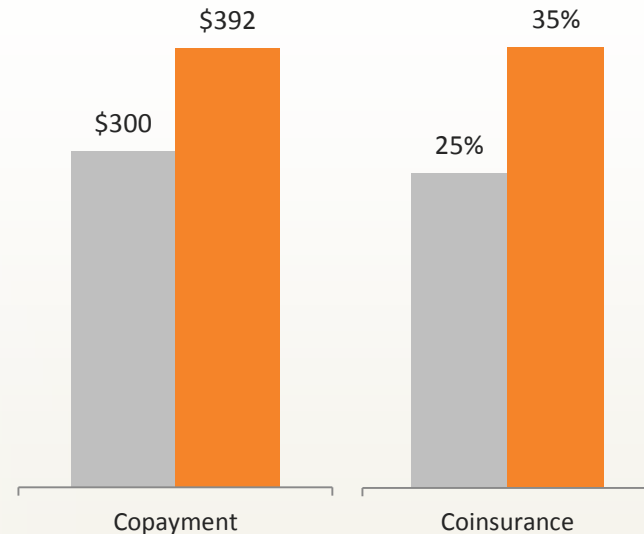


### Bronze Plan ER Cost Sharing



■ Copayment ■ Coinsurance ■ No Cost Sharing\*

### Average ER Cost Sharing



■ Silver ■ Bronze

\*No Cost Sharing: Plans charge \$0, 0%, or list "no charge" as applicable cost sharing for an individual. This generally applies after the deductible has been met



The image features a white background with a large white circle on the right side. A horizontal band of orange and red colors crosses the circle. The text 'NATIONAL MARKETPLACE' is written in white on the orange part of this band. There are also some red and orange shapes in the top right corner.

# NATIONAL MARKETPLACE

# Assessment of Common Marketplace Plan Features

- Majority of silver and bronze plans
  - Offer a combined deductible
  - Subject all or some Rx to the deductible
    - Bronze plans also tend to subject other services such as physician visits and inpatient hospital stays to the deductible
  - Have a combined out-of-pocket maximum
  - Charge copayments for primary care physician visits
  - Designate a specialty tier
    - Some plans designate a specialty tier but state that cost sharing varies by the drug prescribed
  - Charge coinsurance for specialty drugs

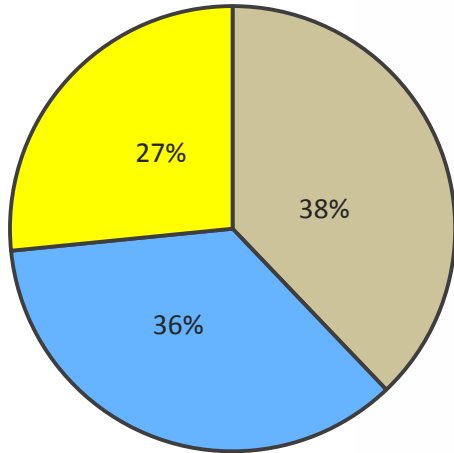
The image features a complex abstract composition of overlapping geometric shapes. A central horizontal band, transitioning from orange on the left to red on the right, contains the word "DEDUCTIBLES" in white, bold, uppercase letters. To the right, a large orange shape with a semi-circular cutout at the bottom overlaps with a red semi-circular shape above it. The background is a mix of white and orange, with a red semi-circular shape at the bottom left.

**DEDUCTIBLES**

# Average Deductibles

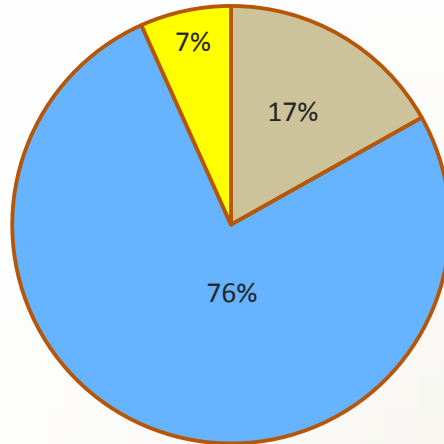
## Most Silver Plans Subject Rx to Deductible

Sn = 1204

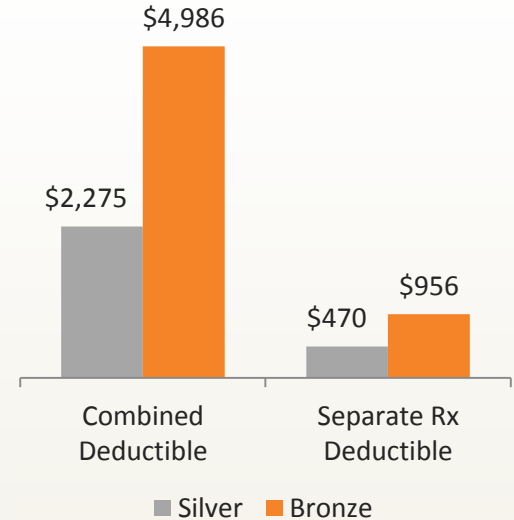


## Nearly All Bronze Plans Subject Rx to Deductible

Bn = 1056



## Average Deductibles Higher in Bronze Plans



- No Deductible for Rx
- Combined Deductible for Medical and Rx
- Separate Rx Deductible

\*Combined deductible: A combined deductible means both medical and drug charges contribute to a total plan-level deductible

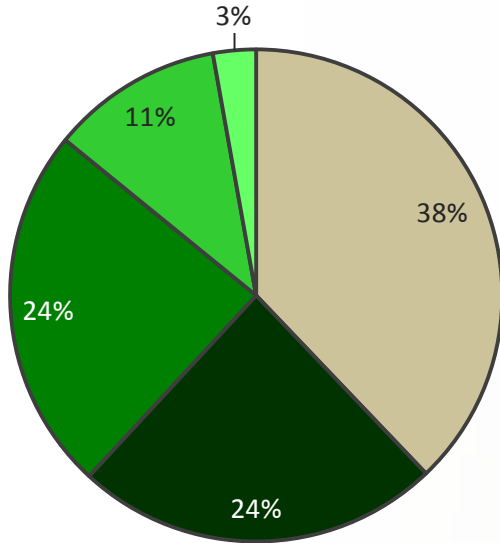
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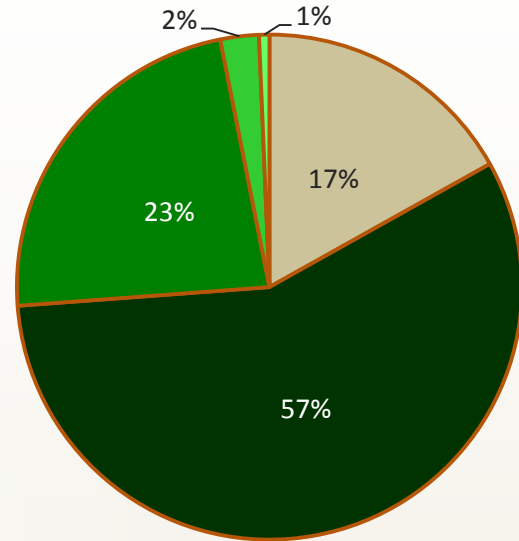
\*\*\*\* Sn: total number of unique Silver plans; Bn: total number of unique Bronze plans

# Rx is More Often Subject to Deductibles in Bronze Plans

Proportion of Silver Plans Subjecting Rx to Deductible



Proportion of Bronze Plans Subjecting Rx to Deductible\*\*

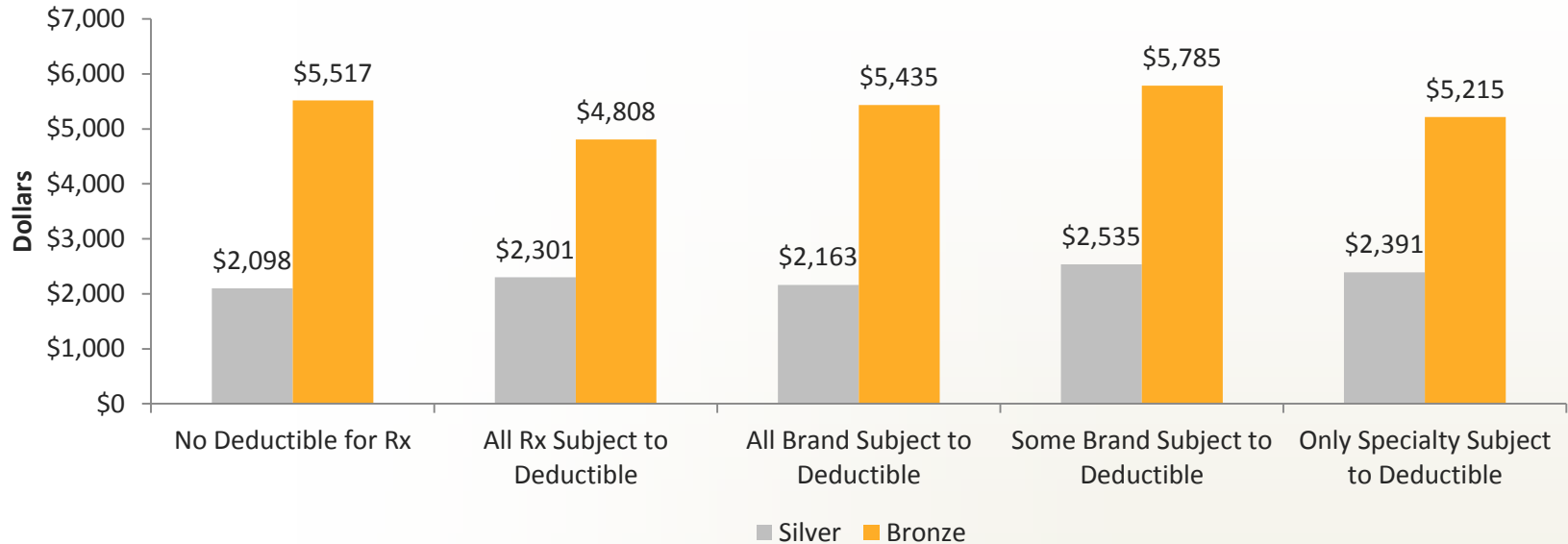


- No Deductible for Rx
- All Rx Subject to Deductible
- All Brand Subject to Deductible
- Some Brand Subject to Deductible
- Only Specialty Subject to Deductible

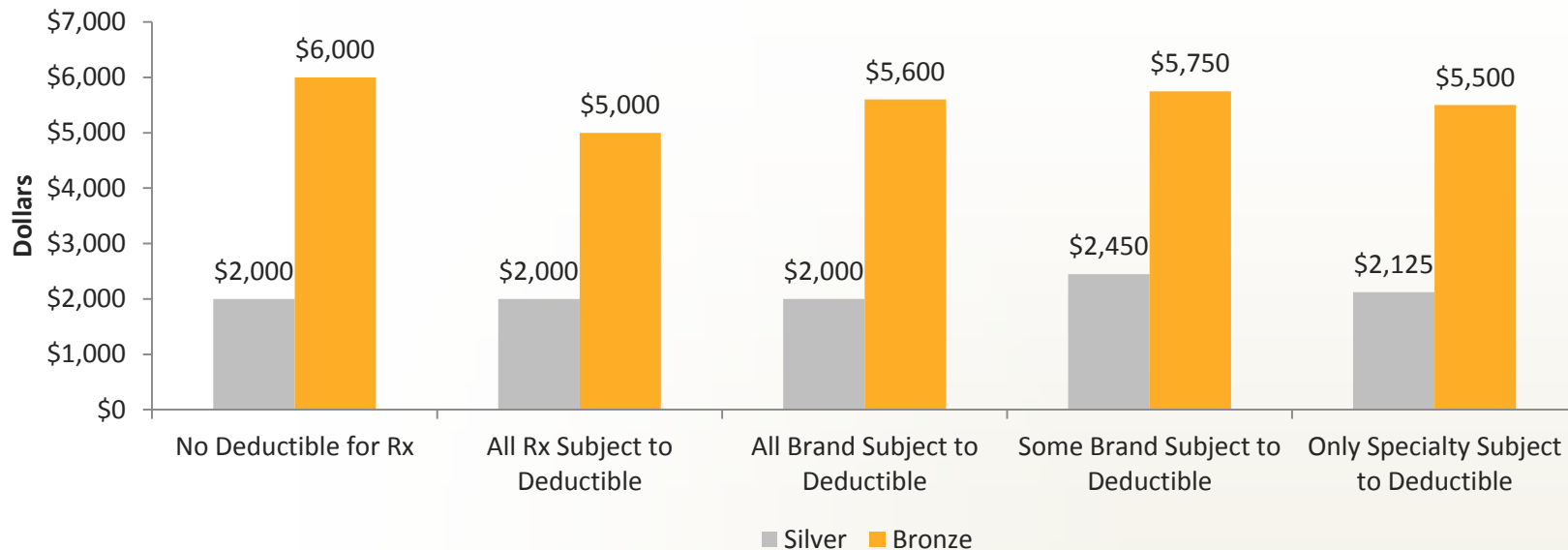
\*Data is for both combined and separate Rx deductibles

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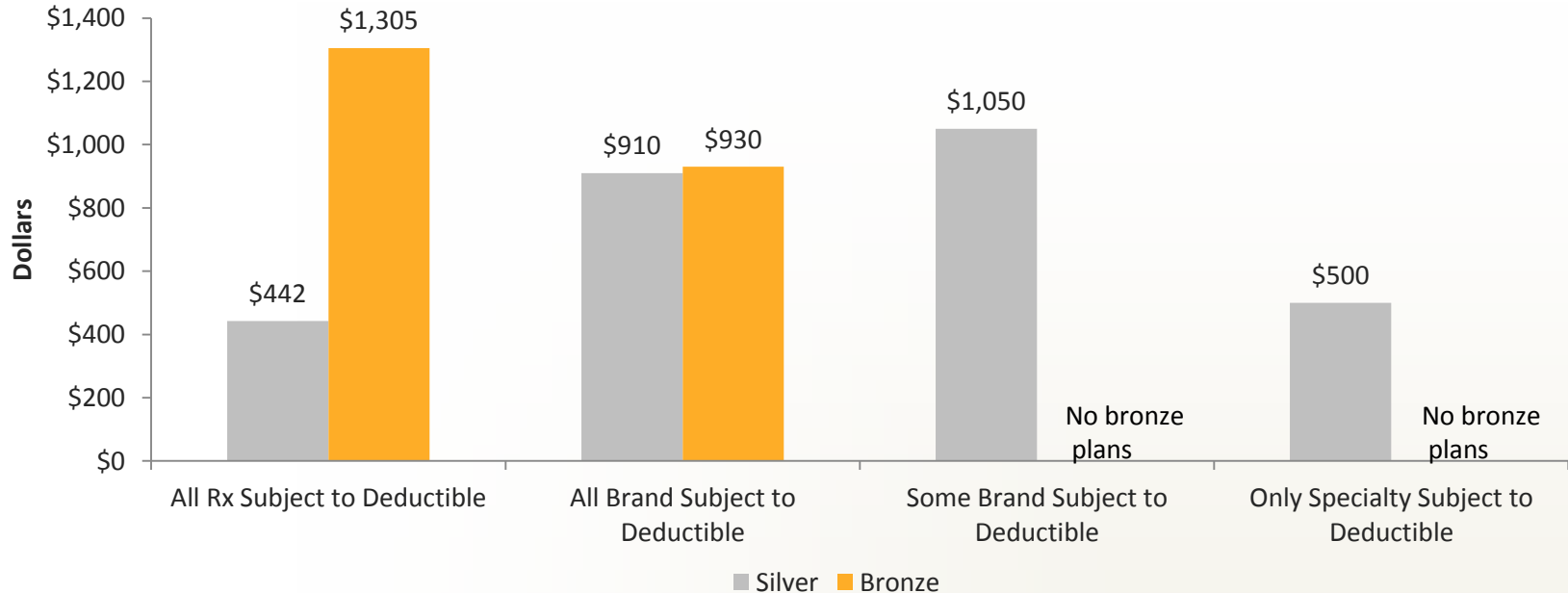
# Average Combined Deductibles Nearly Twice as High in Bronze Plans



# Median Combined Deductibles Nearly Twice as High in Bronze Plans



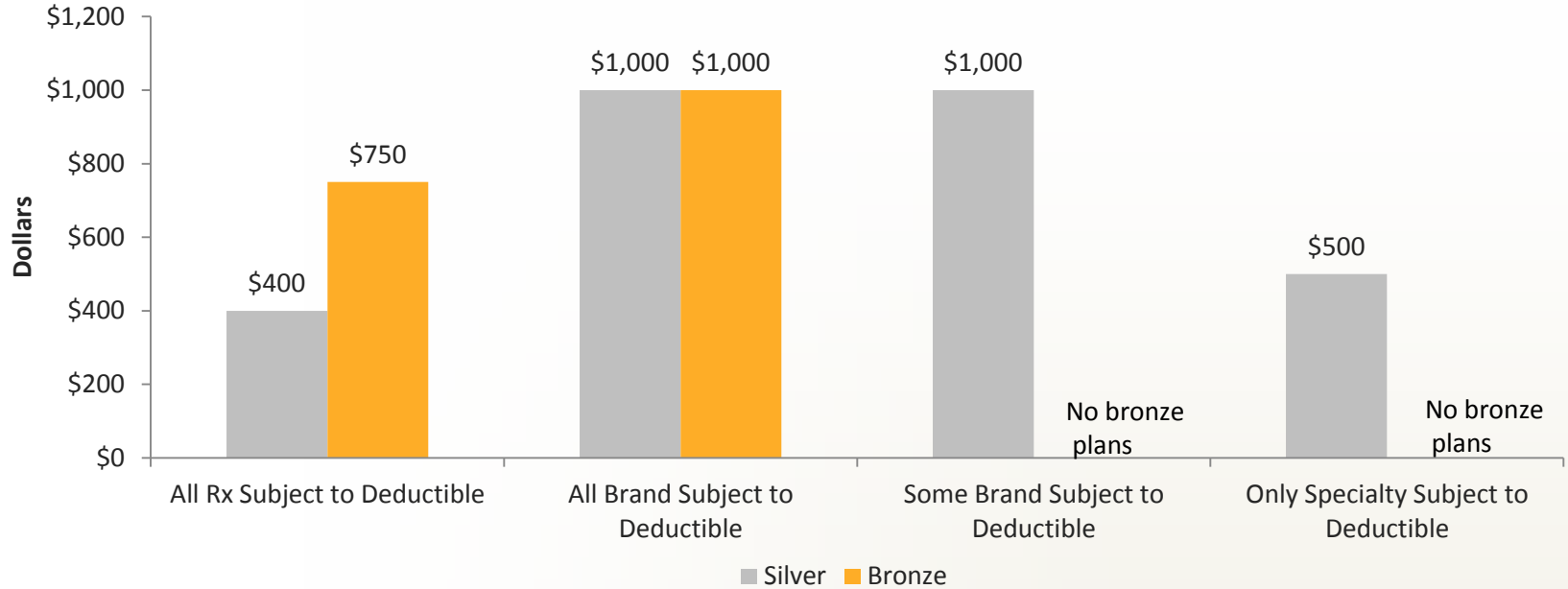
# Average Separate Rx Deductibles



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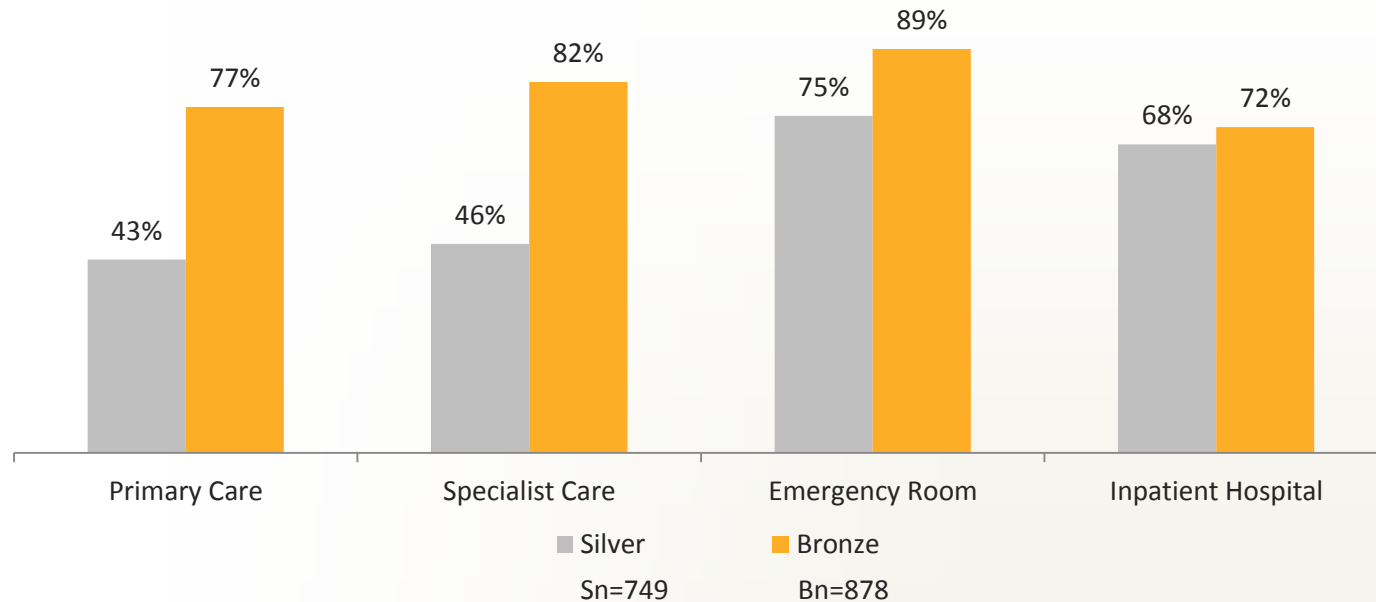


# Median Separate Rx Deductibles



- 266 Silver plans list a separate Rx deductible but do not subject any Rx to the deductible. In most cases the deductible is \$0, however 17 Silver plans list a separate Rx deductible greater than \$0.
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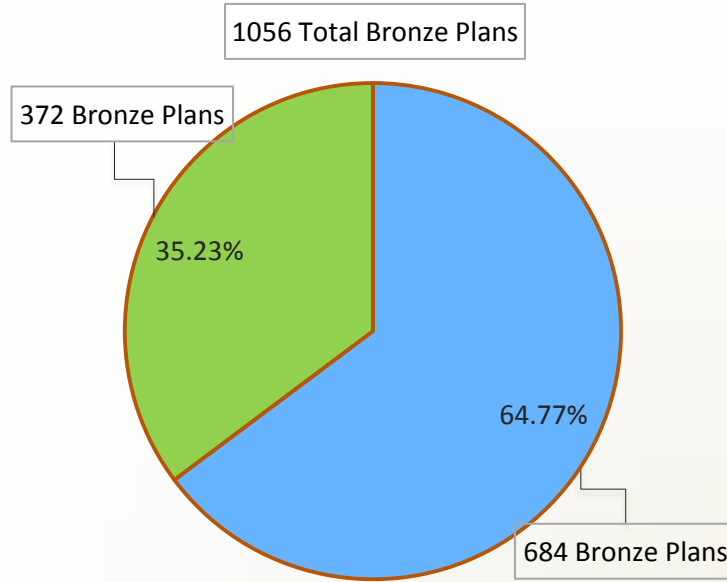
# Percent of Plans that Subject Rx and Other Services to the Deductible



*\*Percentages are out of those plans that subject Rx to the deductible*  
*\*\*Sn: total number of Silver plans that subject Rx to the deductible*  
*\*\*\*Bn: total number of Bronze plans that subject Rx to the deductible*

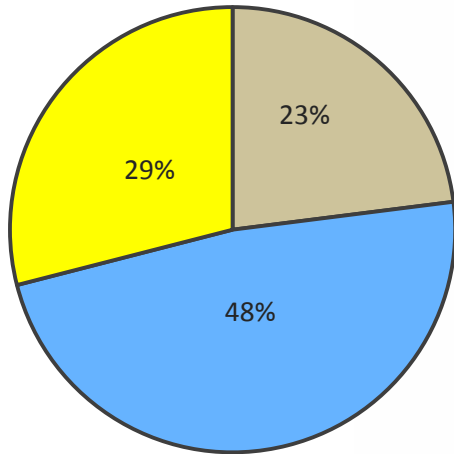
# About One-Third of Bronze Plans Have a Deductible within \$500 of Out-of-Pocket Maximum

Proportion of Bronze Plans with Deductible within \$500 of OOP Maximum

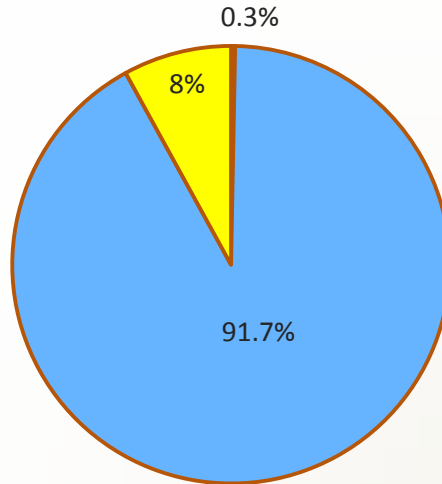


# Average Deductibles: Non-Standardized Benefit States

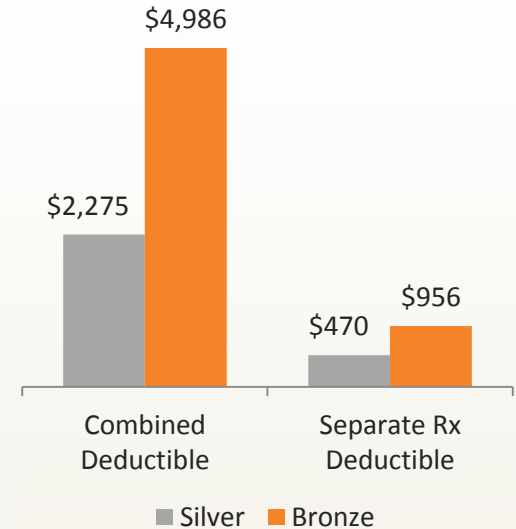
Most **Silver** Plans Subject Rx to Deductible



Nearly All **Bronze** Plans Subject Rx to Deductible



Average Deductibles Higher in Bronze Plans



- No Deductible for Rx
- Combined Deductible for Medical and Rx
- Separate Rx Deductible

\*Combined deductible: A combined deductible means both medical and drug charges contribute to a total plan-level deductible

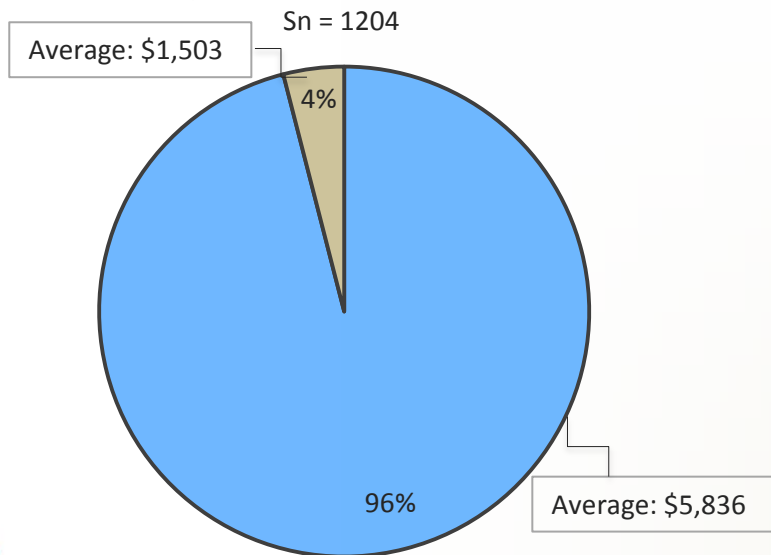
\*\*Separate Rx deductible: A separate Rx deductible means that drug charges contribute to a separate plan-level deductible

The image features a complex abstract composition. A central horizontal band is divided into orange and red sections. To the right, a large orange shape contains a red wedge and a white semi-circle. The background is white, with various colored shapes extending from the edges.

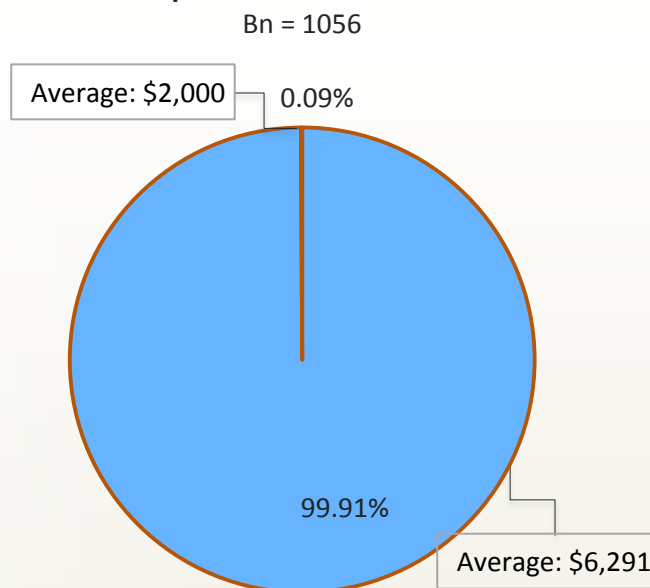
**OUT-OF-POCKET  
MAXIMUM**

# Nearly All Silver and Bronze Plans Have a Combined Out-of-Pocket Maximum

Proportion of Silver Plans with Combined vs. Separate Rx OOP Maximum



Proportion of Bronze Plans with Combined vs. Separate Rx OOP Maximum

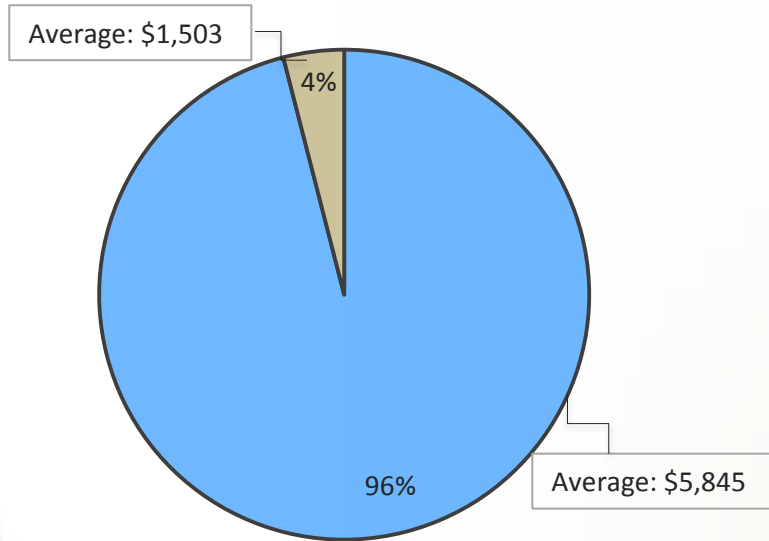


■ Combined OOP Maximum ■ Separate Rx OOP Maximum

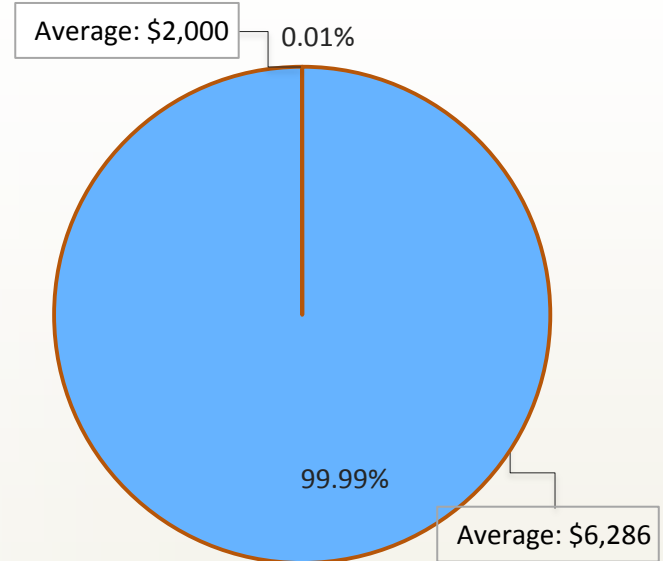
\*Sn: total number of unique Silver plans  
\*\*Bn: total number of unique Bronze plans

# Nearly All Non-Standardized Silver and Bronze Plans Have a Combined Out-of-Pocket Maximum

Proportion of Silver Plans with Combined vs. Separate Rx OOP Maximum



Proportion of Bronze Plans with Combined vs. Separate Rx OOP Maximum



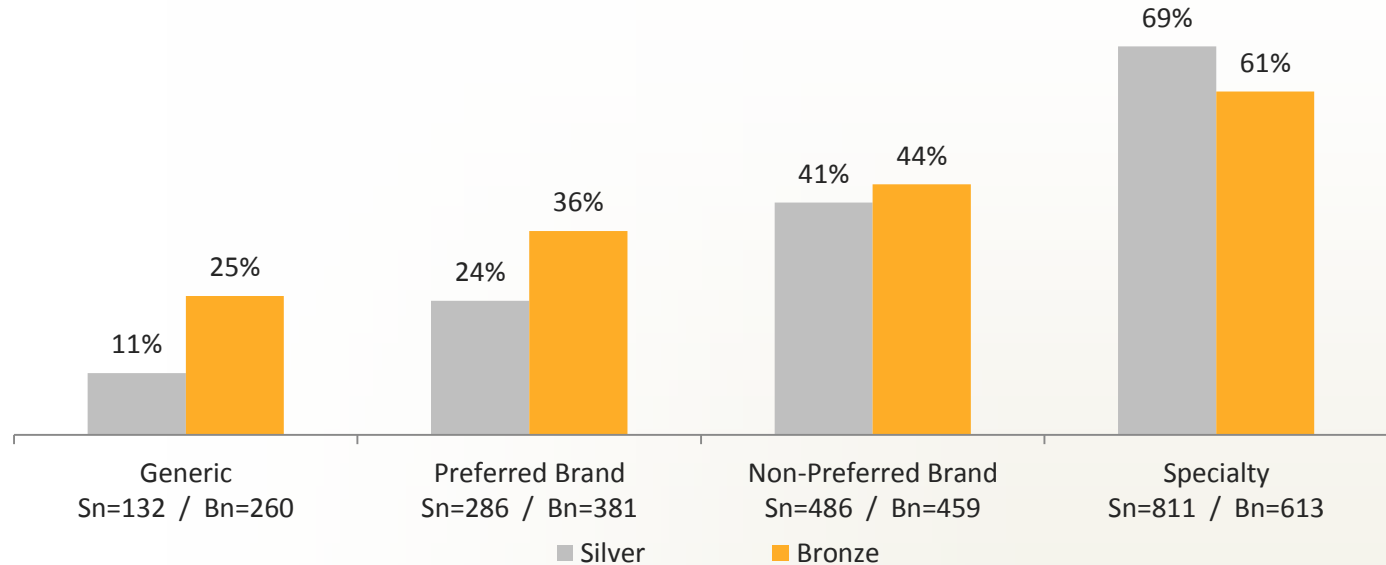
Combined OOP Maximum Separate Rx OOP Maximum

The image features a central horizontal band with a color gradient from orange on the left to red on the right. The text 'COST-SHARING' is centered within this band in white, bold, uppercase letters. The background is white, with large, semi-transparent orange and red shapes on the right side that overlap the central band. The overall design is modern and minimalist.

**COST-SHARING**



# Percent of Plans with Coinsurance by Tier



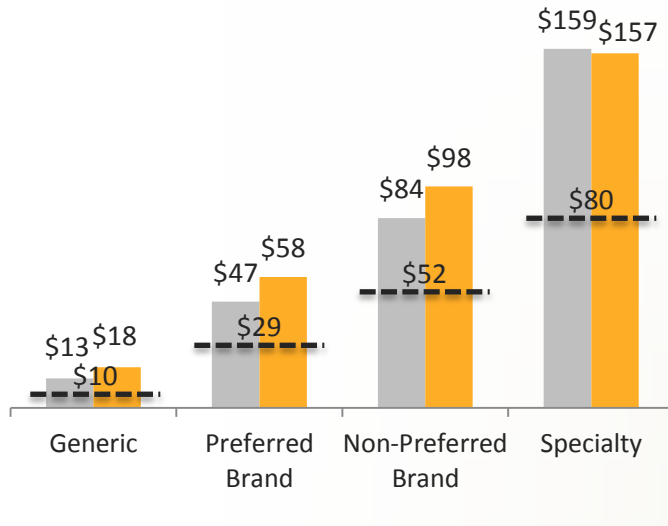
\*Cost sharing patterns may differ if service is subject to a deductible

\*\*Sn: total number of Silver plans that charge coinsurance

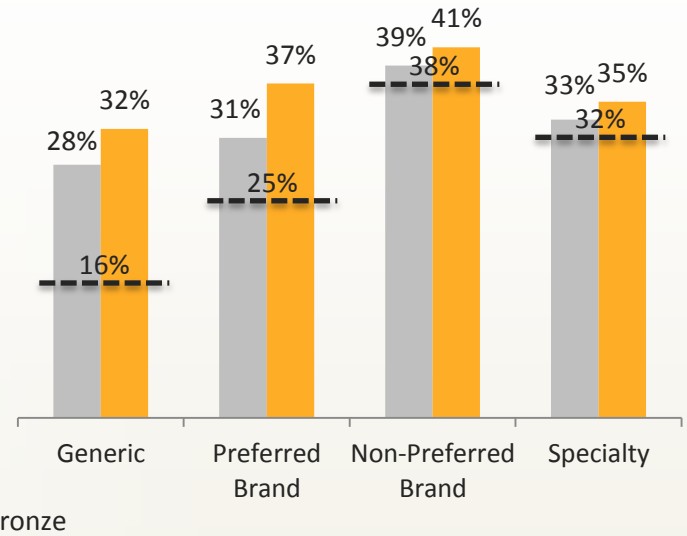
\*\*\*Bn: total number of Bronze plans that charge coinsurance

# Average Cost Sharing for Each Prescription Drug Tier

## Average Copays

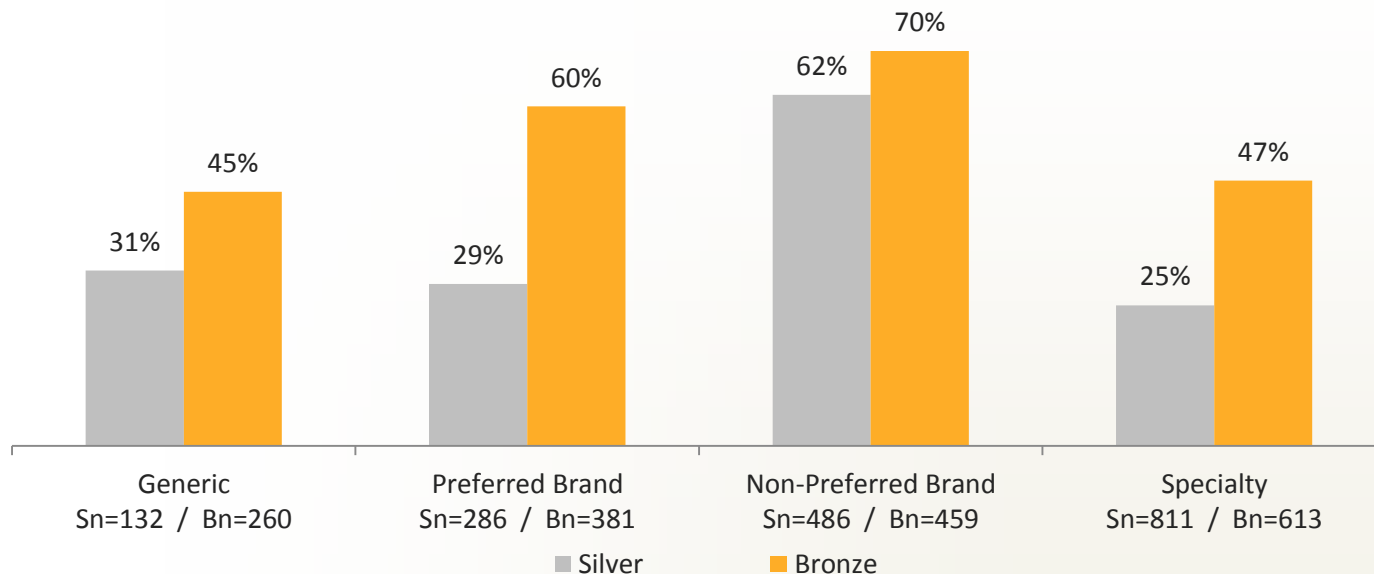


## Average Coinsurance



--- Employer Average

# Percent of Plans with Coinsurance Greater Than or Equal to 40 Percent

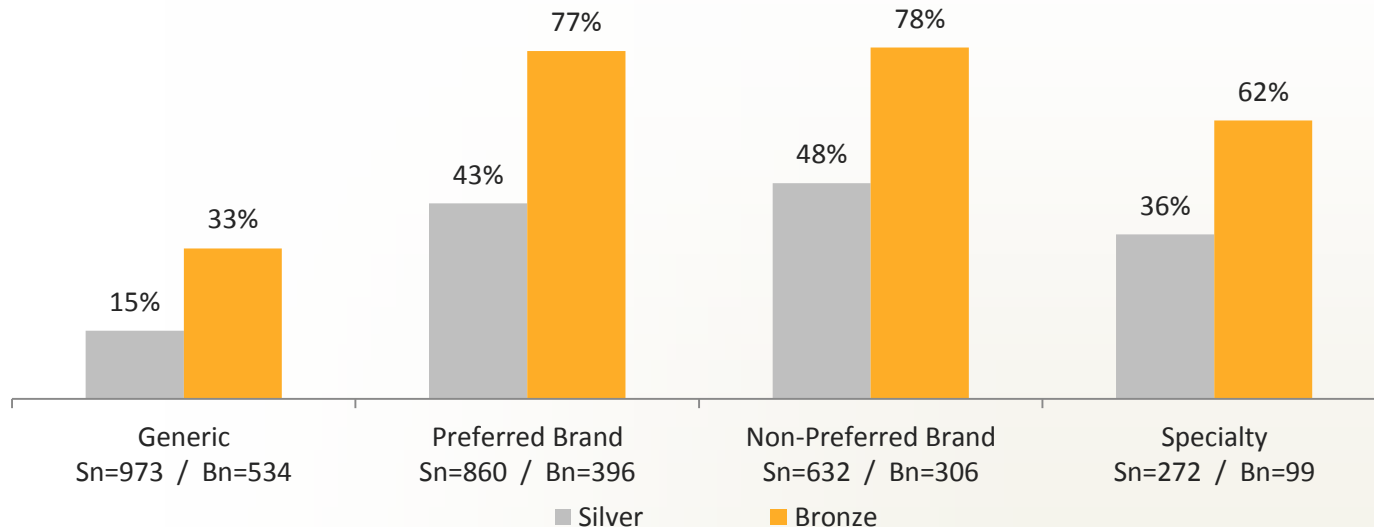


\*Percentages are out of those plans that charge coinsurance

\*\*Sn: total number of Silver plans that charge coinsurance

\*\*\*Bn: total number of Bronze plans that charge coinsurance

# Of Plans That Charge Copay, Percent That Subject Tier to the Deductible

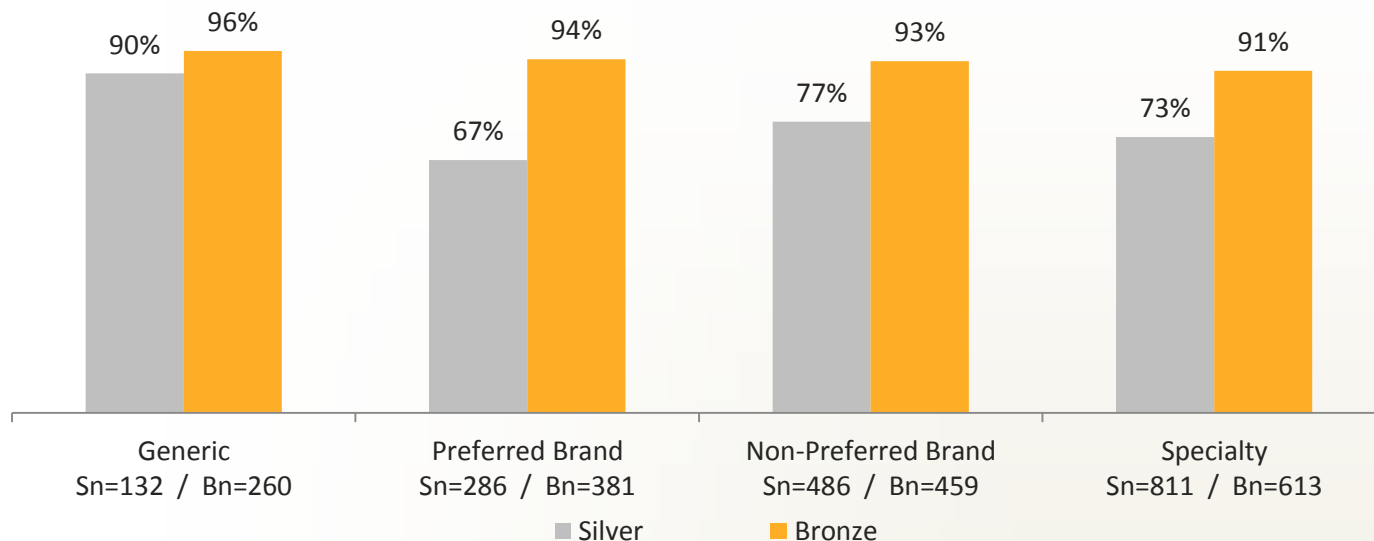


*\*Percentages are out of those plans that charge copays*

*\*\*Sn: total number of Silver plans that charge copays*

*\*\*\*Bn: total number of Bronze plans that charge copays*

# Of Plans That Charge Coinsurance, Percent That Subject Tier to the Deductible

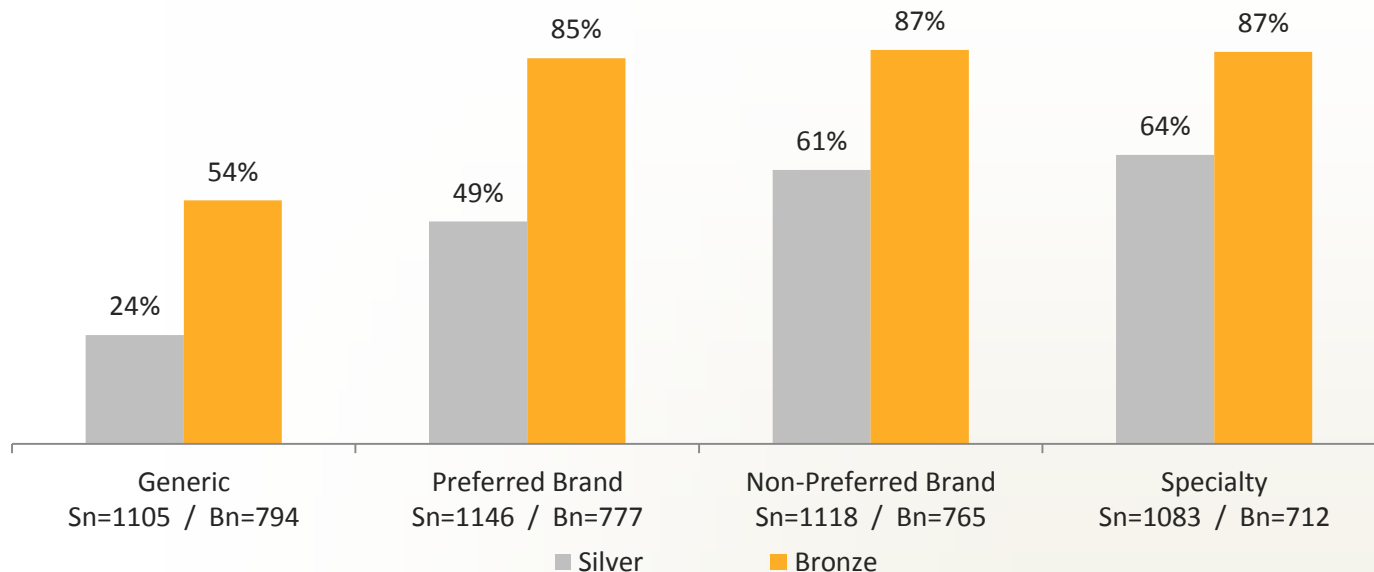


\*Percentages are out of those plans that charge coinsurance

\*\*Sn: total number of Silver plans that charge coinsurance

\*\*\*Bn: total number of Bronze plans that charge coinsurance

# Percent of Plans That Subject Rx Tier to the Deductible



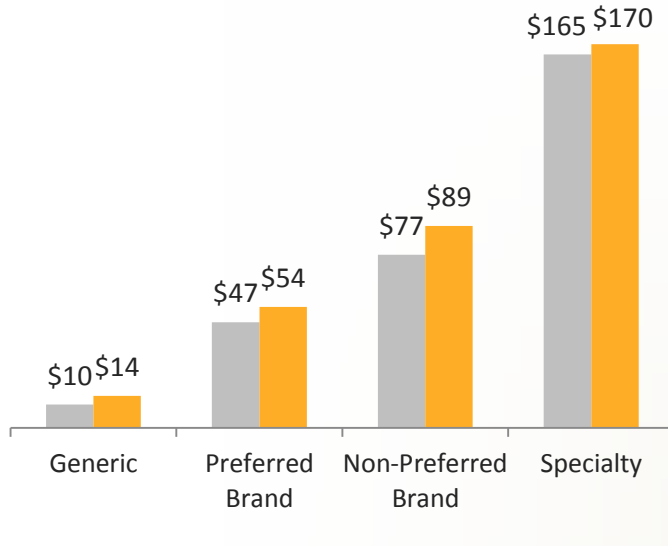
*\*Percentages are out of those plans with cost sharing (copay and/or coinsurance)*

*\*\*Sn: total number of Silver plans with copay and/or coinsurance*

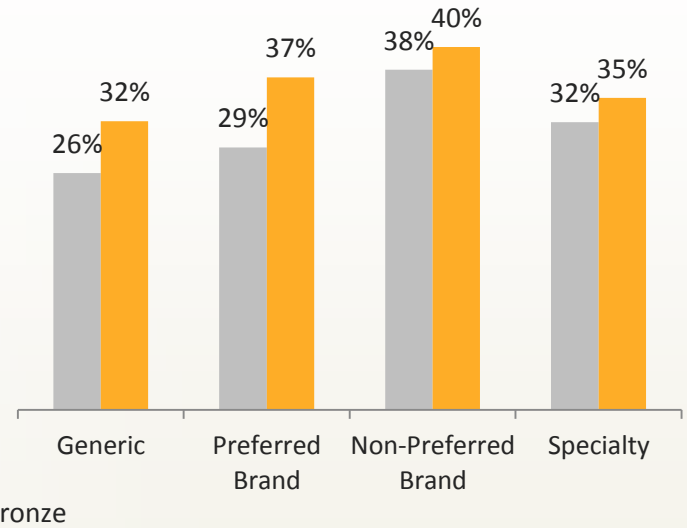
*\*\*\*Bn: total number of Bronze plans with copay and/or coinsurance*

# Average Copay and Coinsurance Charged After the Deductible

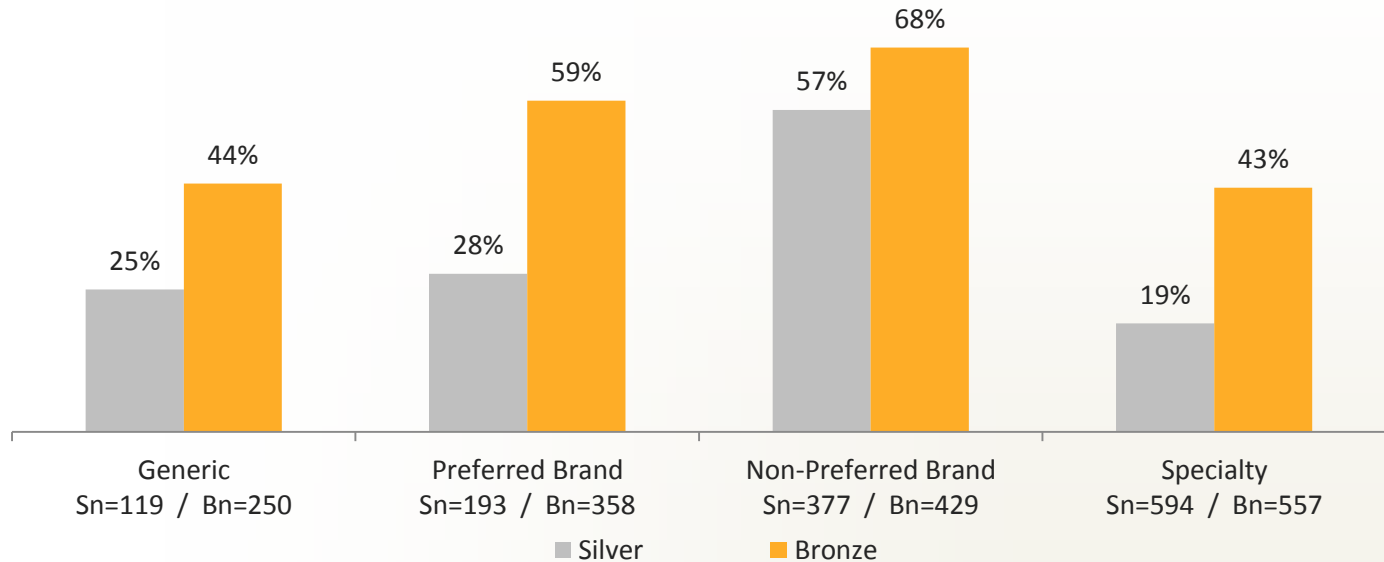
## Average Copays After the Deductible



## Average Coinsurance After the Deductible



# Percent of Plans with Coinsurance Charged After the Deductible Greater Than or Equal to 40 Percent

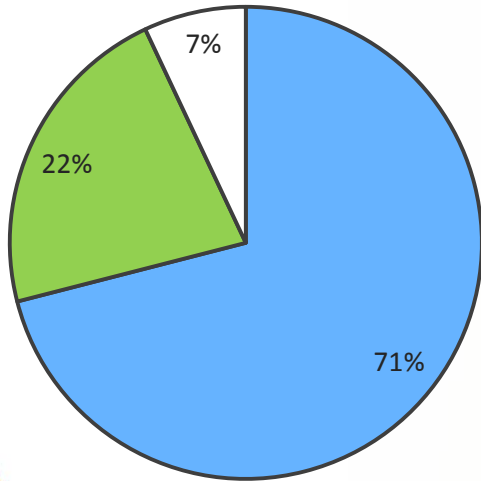


*\*Percentages are out of those plans that charge coinsurance after the deductible*  
*\*\*Sn: total number of Silver plans that charge coinsurance after the deductible*  
*\*\*\*Bn: total number of Bronze plans that charge coinsurance after the deductible*

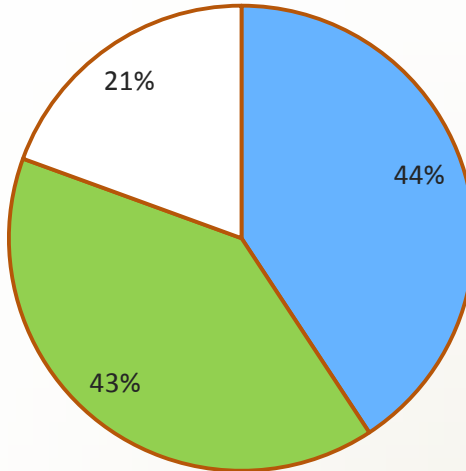


# Silver Plans Almost Twice as Likely as Bronze to Use Copays for Primary Care Visit

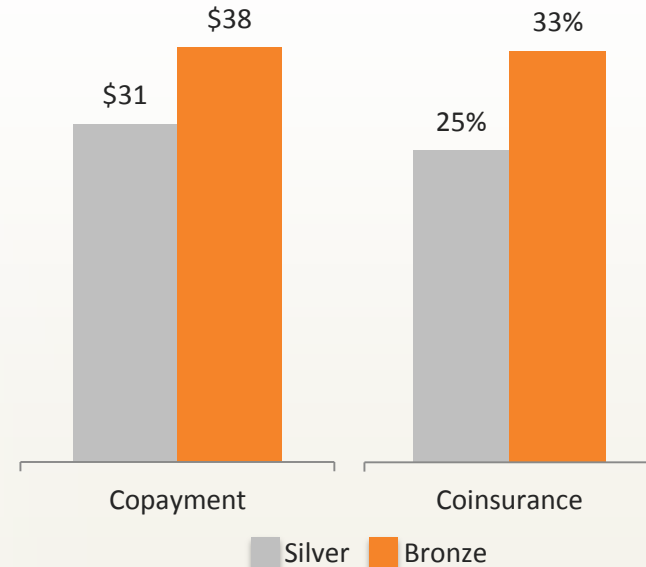
**Silver Plan PCP Visit Cost Sharing**



**Bronze Plan PCP Visit Cost Sharing**



**Average PCP Cost Sharing**

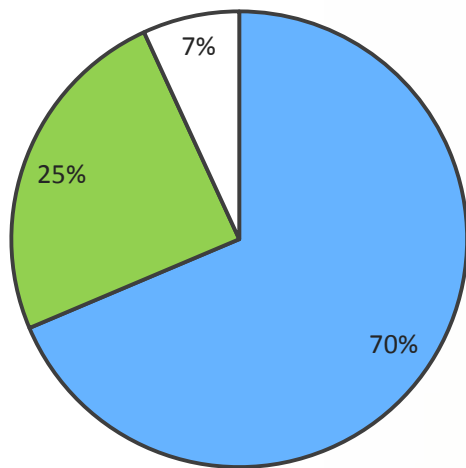


■ Copayment   
 ■ Coinsurance   
 ■ No Cost Sharing\*

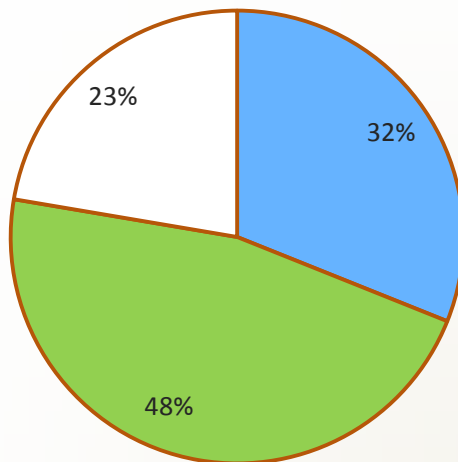
*\*No Cost Sharing: Plans charge \$0, 0%, or list "no charge" as applicable cost sharing for an individual. This generally applies after the deductible has been met*

# Silver Plans Almost Twice as Likely as Bronze to Use Copays for Specialist Visits

### Silver Plan Specialist Visit Cost Sharing

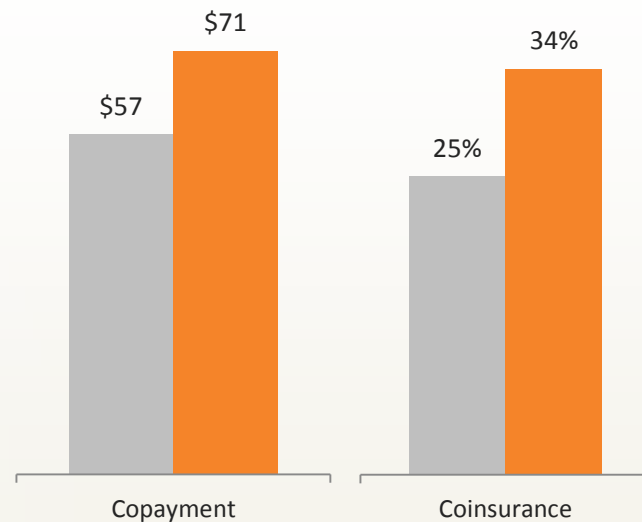


### Bronze Plan Specialist Visit Cost Sharing



■ Copayment ■ Coinsurance ■ No Cost Sharing\*

### Average Specialist Cost Sharing

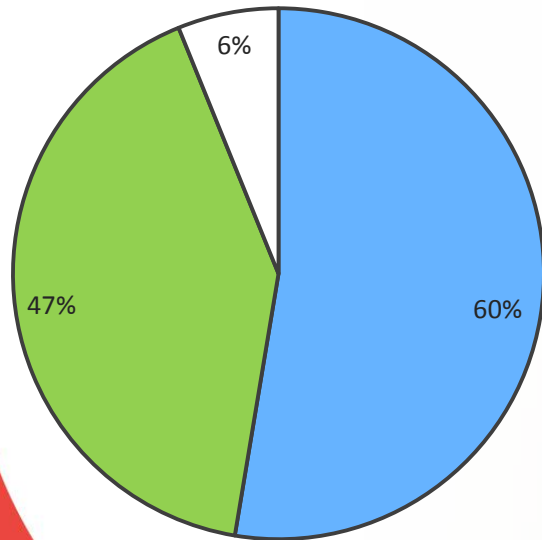


■ Silver ■ Bronze

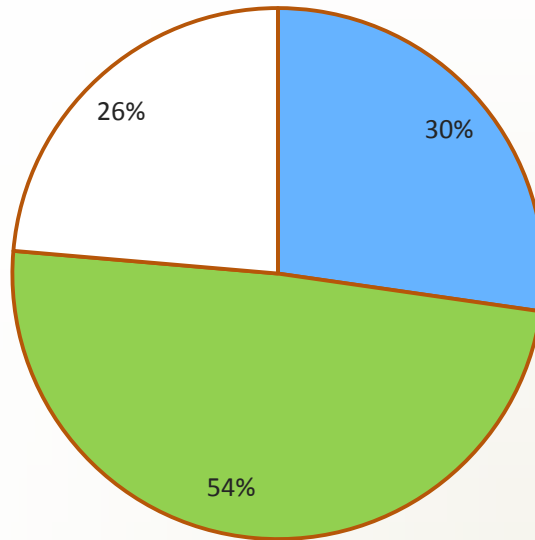
\*No Cost Sharing: Plans charge \$0, 0%, or list "no charge" as applicable cost sharing for an individual. This generally applies after the deductible has been met

# Silver Plans Twice as Likely as Bronze to Use Copays for Emergency Room Visits

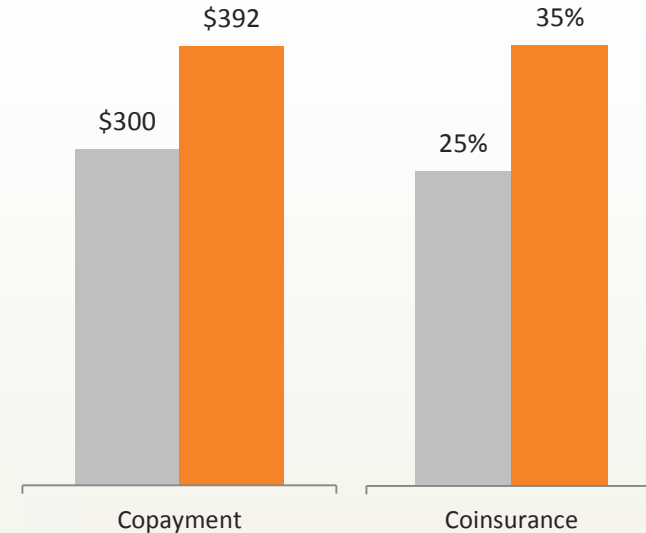
**Silver Plan ER Cost Sharing**



**Bronze Plan ER Cost Sharing**



**Average ER Cost Sharing**



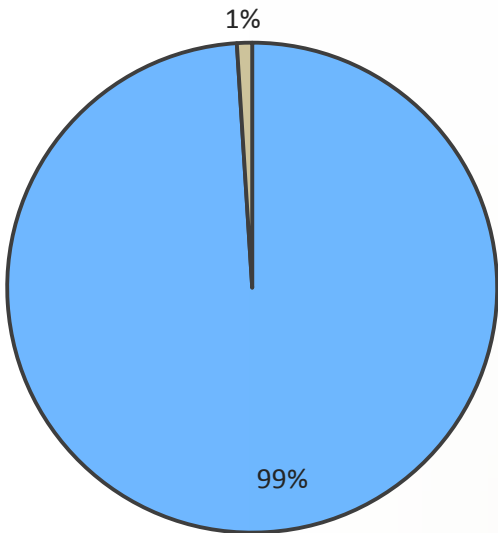
■ Copayment ■ Coinsurance ■ No Cost Sharing\*

■ Silver ■ Bronze

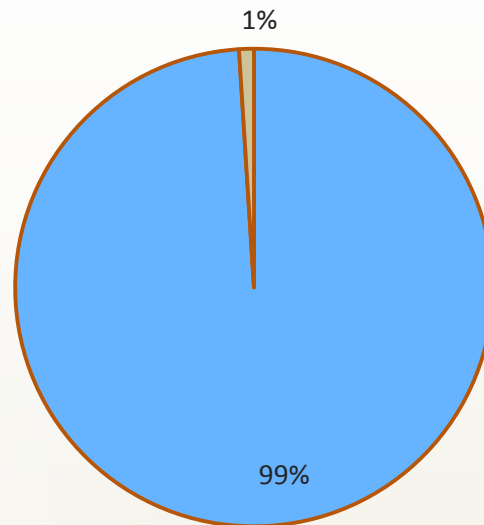
*\*No Cost Sharing: Plans charge \$0, 0%, or list "no charge" as applicable cost sharing for an individual. This generally applies after the deductible has been met*

# Limited Number of Silver Plans Utilize Tiered Provider Cost Sharing

Proportion of Silver Plans with Tiered Physician Cost Sharing



Proportion of Silver Plans with Tiered Hospital Cost Sharing



 No Tiered Provider Cost Sharing     Tiered Provider Cost Sharing

# Unique Cost Sharing Silver Plans Features

- Copayment/Coinsurance Combination

- Example: First 3 illness-related office visits subject to \$30 copay per visit; all visits thereafter subject to 20% coinsurance and overall deductible

- Limited Number of Free or Discounted Visits\*

- Example: First 5 PCP visits free; all visits thereafter subject to \$10 copay

\*Free visits generally are a combination of PCP, specialist and other (e.g., chiropractor, physical therapist) visits

- Waiver of Deductible for Limited Number of Visits

- Example: First 2 specialist visits subject to \$75 copay; all visits thereafter subject to \$75 copay and overall deductible

- Visit Limits

- Example: Practitioner visits (other than PCP/specialist) limited to 15 per year

# Summary

- The majority of plans have combined deductibles and subject all or some prescription drugs to the deductible. The majority of bronze plans also subject other services such as physician visits to the deductible
- Majority of plans designate a specialty tier. Some plans, though, state that the cost sharing for the specialty product varies by the drug prescribed (e.g., generic, preferred brand and non-preferred brand)
- Cost sharing for prescription drugs does not differ significantly between silver and bronze plans
  - However, individuals enrolled in a silver plan may be eligible for cost sharing reductions
- Majority of silver and bronze plans charge coinsurance for specialty drugs
  - The average coinsurance for all drug tiers in bronzer plans is over 30 percent
- Both silver and bronze plans typically charge copayments for primary care physician visits. However, bronze plans tend to charge coinsurance rather than copayments for specialist and ER visits, while silver plans charge copayments

# Notes on Data and Sources

- This cost sharing analysis is based on a review of the 1204 unique Silver and 1056 unique Bronze qualified health plans in all 50 states' and the District of Columbia's insurance Exchanges. The premium analysis is based on a review of 7011 Silver plans and 5869 Bronze plans in all 50 states' and the District of Columbia's insurance exchanges. It was prepared for PhRMA and its member companies based on data available through state and federal government-sponsored exchange websites as of 1/1/2014.
- For state-based exchanges (SBEs), Breakaway obtained benefit design and cost sharing data from state exchange websites. If information was not available through the state exchange website, Breakaway obtained the data directly from summaries of benefits coverage (SBCs) posted on the insurance carriers' websites. If a carrier did not post the SBC for a plan(s), Breakaway used other information posted by the carrier. Where information in the SBC conflicted with other information posted by the carrier, Breakaway utilized the information provided in the SBC.
- For federally-facilitated (FFE) and partnership exchanges, Breakaway obtained premium and cost sharing information from the individual market landscape file posted by the Centers for Medicare and Medicaid Services (CMS Landscape File).
- Where insurance premiums were not available through the state exchange website or carrier website, Breakaway utilized premium data posted on consumer finance website, ValuePenguin.com.
- When the cost sharing provided on an exchange or carrier website was incomplete or unclear, Breakaway made an effort to obtain the information by contacting the carrier directly. If the carrier was unable to clarify or provide the information, the data was not included in the analysis.

# Research Methodology

- Unless otherwise indicated, all premium amounts are for a single individual age 27 or age 50.
- The premiums and cost sharing figures in this analysis do not reflect the premium credits and cost sharing reductions available to low income individuals.
- The cost sharing analysis is limited to in-network services.
- For plans utilizing multiple cost sharing tiers for physicians and/or other providers, data for the first tier was used in this analysis.
- For plans providing a limited number of free or discounted provider visits, cost sharing that applies after exhaustion of the free or discounted visits was used in this analysis.
- Because the CMS Landscape File captures data only for four drug tiers, this analysis does not include cost sharing for any designations beyond the fourth tier.
- In accordance with PhRMA's specifications, and unless otherwise noted, this analysis:
  - Examines premiums and cost sharing without differentiating between plans based on whether prescription drugs and/or other benefits are subject to the deductible.
  - Considers plans that subject specific prescription drug categories to deductible but specify a \$0 deductible as not imposing a deductible.
- Analyses based on different specifications may vary from these results.



# Questions and Contact Information

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