November 4, 2021

The Honorable Chaquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Re: Standardized Options in Marketplaces

We, the undersigned patient advocacy organizations, write to express our support for standardized health plan options in the Health Insurance Marketplaces, with a focus on prescription drug access and affordability. Our organizations frequently work together in states across the country to advance laws and regulations that protect and improve access to prescription medications. To date, 13 states have implemented policies to reduce patient out-of-pocket costs – either by adopting standard plans with affordable cost sharing or through stand-alone regulatory efforts – and our organizations have been involved in many of those efforts.

In the recent rulemaking, Patient Protection and Affordable Care Act; Updating Payment Parameters, Section 1332 Waiver Implementing Regulations, and Improving Health Insurance Markets for 2022 and Beyond Proposed Rule, CMS indicated its plans to implement standardized options in 2023. We write to express our support for standardized options and share our priorities, which include reducing out-of-pocket prescription drug costs for consumers and increasing transparency so patients can accurately choose a health insurance plan that will best meet their specific health care needs.

We strongly support the concept of standardized options. Standardization allows individuals shopping for coverage to focus on and compare the most important aspects of their health insurance plan, such as provider networks, covered benefits, quality, and premiums. We believe that issuers should be required to participate in standardized plans of at least one plan, per metal tier or type, per region to ensure that patients across the country can benefit from this policy.

We urge CMS to implement standardized options with low or no deductibles, including for $0 premium plans. We also urge CMS to either exclude a high-deductible option or limit the deductible in standardized options to the IRS definition of a high deductible health plan (HDHP) for 2023 (it is currently $1,400 for an individual and $2,800 for a family in 2022). Increasingly, plans are trending toward high-deductible design in the private insurance market.[1] We are concerned that price-sensitive consumers are shopping on premium alone, only to find that they cannot afford the high deductibles in the plan they have selected. A person with a deductible so high that they cannot afford to access care is functionally uninsured and faces the financial and health risks of being uninsured. Among individuals

[1] Cohen R, Zammitti E. High-Deductible Health Plan Enrollment Among Adults Aged 18–64 With Employment-Based Insurance Coverage. Centers for Disease Control and Prevention; 2018. Available at https://www.cdc.gov/nchs/data/databriefs/db317.pdf.

with a history of cancer, HDHPs are associated with more delayed or foregone care.[2] Studies have also shown that patients abandon treatment regimens at prices of $100-$500.[3,4] Encouraging enrollment in low or no deductible plan can also help address health disparities. Research has shown a substantial increase in enrollment in HDHPs across all racial/ethnic and income groups, but that Black, Hispanic, and low-income enrollees were significantly less likely to have a health savings account, putting their access to care at risk.[5]

We urge CMS to implement standardized plans that use copays rather than coinsurance. People with chronic conditions who rely on medications strongly prefer copays over coinsurance due to the predictability and transparency of cost. When plans include coinsurance, consumers are unable to determine their expected out-of-pocket costs because they do not, and often cannot, know the price of the medication on which the coinsurance will be based. We are concerned that, in the 2018 standardized options, specialty drugs were the only drugs subject to the deductible and the only drugs subject to coinsurance in all metal levels except bronze (where all brand-name drugs were subject to coinsurance). Specialty drugs are, by definition, the most expensive drugs on the market and people who rely on specialty medications are the least likely to have an alternative treatment available. It is *even more* important that people taking specialty medications have predictable cost sharing, especially as medication costs are more likely to be a significant part of the family budget. We appreciated that the 2018 plans excluded most drug tiers from the deductible. However, we urge CMS to exclude all drug tiers from the deductible, including the specialty tier.

In addition to low or no deductibles, we encourage CMS to include ways for patients to smooth their costs across the year. Many people taking high-cost medications meet their out-of-pocket maximum during their first prescription fill(s) of the plan year, sometimes at a cost of several thousand dollars. If patients do not have the cash on hand, they leave the pharmacy without their treatment. Smoothing these costs throughout the year could be achieved through an annual out-of-pocket cap smoothed across the year or through a monthly out-of-pocket cap. We especially encourage CMS to institute a smoothing mechanism if they do not take our recommendations regarding high deductibles, coinsurance, and excluding the specialty tier from the deductible with the other tiers.

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[2] Zheng Z, Jemal A, Banegas MP, Han X, Yabroff KR. High-Deductible Health Plans and Cancer Survivorship: What Is the Association With Access to Care and Hospital Emergency Department Use? JOP. 2019;15(11):e957-e968. doi:10.1200/JOP.18.00699.

[3] Streeter, SB, Schwartzberg, L, and Johnsrud, M. "Patient and Plan Characteristics Affecting Abandonment of Oral Oncolytic Prescriptions." American Journal of Managed Care, 2011: 175, 5 spec no: SP38-SP44.

[4] Starner, C.I., Bowen, K., Qiu, Y., & Gleason, P.P. Prime Therapeutics. (2014). Association of specialty drug prescription abandonment with increasing member out-of-pocket expense. Available online at: http://cdn2.content.compendiumblog.com/uploads/user/220a4eb2-dd7f-4520-ab96-7cfb9e87326b/8e648f20-2a6c-4610-9b15-849b37ce4f51/File/dca10ed279fb93da1db23d91106465d6/4085_c_amcp_2014_spring_poster_specialty_rx_abandonment.pdf

[5] Ellison J, Schafer P, and Cole M. Racial/Ethnic and Income-Based Disparities in Health Savings Account Participation Among Privately Insured Adults. Health Affairs: 2020;39(11): 416-424. https://doi.org/10.1377/hlthaff.2020.00222

We were pleased CMS incorporated state law into standardized options in 2018 and urge CMS to continue to do so, updated for laws that have passed since. We also urge CMS to ensure that the standardized options treat state protections like a floor, not a ceiling. CMS should implement standardized options that comply with the law and promote patient protections from out-of-pocket costs as much as or more than state law.

Finally, we urge CMS to consider information other than popularity (based on enrollment) when determining standardized plan design. In the 2018 standardized options, we appreciated CMS's attention to creating standardized options that would not raise premiums. However, we caution that popularity of a particular plan option may not be the best indicator of the highest quality plan. Rather, individuals may have chosen a plan based on name recognition or premium alone. We encourage HHS to consider carefully the coverage of products and services provided by a plan in designing a standardized benefit option, including the items we have outlined in this letter.

Thank you for your attention and we look forward to reading the proposed benefit and payment parameters for 2023. For more information, contact Rachel Patterson at the Epilepsy Foundation at rpatterson@efa.org.

Sincerely,

Allergy & Asthma Network
Arthritis Foundation
Epilepsy Foundation
Hemophilia Federation of America
National Eczema Association
National Organization for Rare Disorders
National Psoriasis Foundation
The Leukemia & Lymphoma Society