

Alaska Essential Health Benefit Public Comment Hearing

April 23, 2024, 11:00am – 12:00pm

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Heather Carpenter: Alright, everybody welcome. It is 11:01 and I know our team will keep letting people in as they join. But in the interest of time, I want to get started. My name is Heather Carpenter. I am the Deputy Director for the Division of Insurance. I am joined online by Molly Nollette, who is our Chief Market Regulator, Sarah Bailey, who I think all of you know as our Life and Health Section Supervisor and Jake Lauten, who is our Program Coordinator 2.

We are hosting this meeting to get public input on revisions to Alaska's Essential Health Benefits plan. Before I kick it over to Matt to walk through what we are doing and share some changes, I just wanted to remind everybody that on February 27th, the Division held a stakeholder meeting on what this project was going to be. Then we held a public comment period from March 22nd through April 8th and we held a public meeting on March 27th. We opened up another round of public comments that is set to end next Monday the 29th at 5:00 PM.

The Essential Health Benefits Plan for Alaska is the benchmark set of health care services that is required for all individual and small group health insurance plans. Since 2017, Alaska's EHB benchmark plan has been Premera's HeritageSelect Envoy Small Group plan. With that, I'm going to kick it over to Matt, one of our consultants from Wakely to share some slides. Some of these are going to be familiar, so he's going to go pretty quickly through a lot of those. Go ahead, Matt.

2:32

Matt Sauter: Thanks, Heather. We are going to go a bit faster through some of these slides here today, but we will give a quick refresher and then quickly get into the updates since last time. Just a reminder that these estimates are still drafts. We are looking to submit this to CMS on May 1st. We believe these to be near final, but we do have one last round of public comment going on. Ultimately there may be some back and forth with CMS over the summer as they review our application and get to a final benchmark plan submission.

I included the agenda from last time. We're not going to touch on all this in detail here, but generally what we've covered in previous sessions in those slides and these slides will also be available to you all. As we did an overview on the essential health benefits, basically what is covered as EHBs and what we can and cannot define, and what these regulations allowed. We did an overview of the federal regulations primarily focusing on the options that plans have as part of their EHB revisions. We also focused a bit on the typicality and generosity test, the two main actuarial tests that a benchmark plan application must follow. Some tweaks to that in a recent regulation that we'll get to in a minute.

We also went through benefit pricing and selection and just kind of that whole process where we outreach the stakeholders to get thoughts, input, then kind of iterated on what benefits do we want to explore, what's the pricing of those, the pros and cons. We went through kind of the process to date in a timeline there and then ultimately talked about a path forward. This is just a kind of another view of that project plan going over those items.

Where we are today is really on these last two items we've analyzed the benefits and picked a pathway forward and now we're kind of getting that last stakeholder feedback and keeping everyone in loop here and ultimately plan to submit to CMS later next week on May 1st. What we'll do from here is

once we wrap up this public comment, again we'll submit May 1st and then we're going to go through that CMS review and decision process which will be in the summer and fall of 2024. I believe it's wrapped up in fall 2024 following the application. It potentially could be earlier or later, but I think fall 2024 is a good target date. And then again this application is going to be effective for the 2026 benefit year if approved.

5:28

There have been some updates from the last time we talked almost a month ago. One big change that came is the 2025 Notice of Benefit and Payment Parameters or NBPP came out and with that were some changes to the application process, some of which were effective for the 2026 year which is for our application and then others happened later on such as the 2027 benefit year.

5:58

The main change here was they ended up removing the generosity test. Effectively they just put the generosity test into the typicality standard. We still have that ceiling and floor that's now both just covered in the typicality standard. Then one minor nuance there, is they've also made the typicality standard a little less stringent where rather than having to be equal to one of those benchmark comparison plans, it now truly is a floor. We've kind of always interpreted it as a floor and ceiling. The new regulation just made that a bit more clear and definitive that it is a true floor.

6:32

Also through some discussions internally and with CMS, the weight loss benefit we had previously discussed, we are keeping the same type of benefit and addition in there. However, we're now classifying it as a medical benefit under the nutritional counselling benefit coverage. So we're expanding that coverage to include coverage of obesity, which includes things such as nutritional counselling, counselling and therapy for obesity and then also those GLP-1 and GIP drugs covered as appropriate. We're no longer adding drugs to the formulary or making any changes on the formulary side.

7:16

We ultimately just discovered that this would be a better path forward, especially with how this follows suit with how North Dakota did their recent nutritional counselling benefit addition and CMS also views it as a better path forward. Other than that, most items stayed pretty much the same. Ultimately this is the list of benefits we are looking to add to the benchmark plan. So really it's the benchmark plan staying the same with these additions. We will be revising the benchmark document to which will be pretty new and serve out the plan branding and some non EHB language. You might see some large changes there.

8:03

However, in effect, it's still the same benchmark plan just with these five additions there and we'll just call it the nutritional counselling benefit addition at the end there. With that, I was going to turn it over to the DOI to talk about some of the public comments that have been received to date.

8:29

Heather: Thank you, Matt. Again, this is Heather Carpenter, the Deputy Director for the Division of Insurance. We really appreciated the folks who took the time to send in comments during our last public comment period. We received seven comment letters and yesterday we added a document to both the Online Public Notice as well as our website www.insurance.alaska.gov under essential health benefits, that is our response to the public comments we received.

9:03

We broke down that response by category and I'm just going to go over the categories of response we

had. I'm not going to read every answer to that, but I want to point you to online public notice as well as our website because we truly did consider each comment we received. We received comments about the weight loss drug addition, mental health services, preventative services, zero cost cancer diagnostics and screening, and adult dental. One note with adult dental is that it actually can't be added until the 2027 benefit year per the new CMS rules. We received some comments on nutritional counseling.

9:49

Those responses are out there and we're happy to answer specific questions if you do have those. Matt, did you have anything else you wanted to add right now?

10:03

Matt: Nope. That covers the updates from our end.

10:06

Heather: OK, so all of these documents are posted and we do want to open this up for any questions or comments from folks who are attending. You can either use the raise hand function or you can take yourself off mute and ask a question or if it's easier, you can also use the chat function. I'll add that while we're waiting after this meeting, we will post the slides that Matt shared and that will also be on the online public notice as well as our website.

10:43

Alright, does anybody have any specific questions?

11:21

If there are no specific questions right now, we will hang on through the hour of this hearing to see if anybody does have questions. No pressure either way, especially if you're taking a look at that document I just mentioned, but we thank you for attending and we will take any questions as you have them.

11:58

Yes, we can put that link in. I have the website up. I'm going to put a link to our website and you can see it right there at the top. That's why I purposely had the website ready to go. It is the second document at the top that says public comments.

13:00

Chris Loudon: Thank you for sharing that. I do actually have a quick question. Does the state or does anybody have any indication as to what the spend would look like on GLP-1s if GLP-1s were to be allowed to be covered by the state? Do you have an expectation on how much that would look year over year or anything like that?

13:24

Heather: Thank you Chris for that question. Matt, is that something you can answer?

13:29

Matt: Absolutely. Whenever we price the nutritional counselling benefit with the expansion into obesity, we are looking at this as a holistic kind of weight loss and obesity treatment benefit. It's not simply adding GLP-1s and GIP drugs to the formulary. As a result of that and based on some studies we've been looking at, the cost estimate we came up with and let me just pull it up was about 0.07% of allowed for the total benefit there. What's driving this lower than what others may be expecting or not seeing the sticker shock or the GLP-1 cost is really the adherence to a holistic weight loss program

and other utilization management that issuers will apply. Whenever we reached out to issuers about a potential benefit, all were pretty adamant about just having drugs as a one stop shop for weight loss management.

14:42

They did not feel that that was appropriate and rather a more holistic weight management program and lifestyle changes needed to be concurrent with drugs. As a result of that and utilization management where the non brand name Ozempics and other similar drugs, we don't expect them to be prescribed as a standard first course medical care management and almost view it as a last resort item there.

15:18

It's really those two things: adherence to a broader weight loss management program and utilization management we believe are gonna hold those high cost GLP brand name drugs down and what resulted in our cost estimate being 0.07% of total allowed cost. That's allowed cost, not premiums. There may be some slight differences there, but 0.07% is where we ultimately landed

15:50

Chris: That's then allowing these weight loss drugs to be taken for just weight loss as long as it's in conjunction with a holistic program? That would mean that you don't have to have a diabetes or prediabetic diagnosis to be eligible for them? Is that correct or am I misunderstanding?

16:09

Matt: This will just like all other EHBs will be kind of subject to medical best practices and FDA approvals. GLP-1s have been approved for weight loss management. In that scenario, yes, you can take these as weight loss management, but ultimately, the coverage of these drugs will be pursuant to the latest studies and FDA approvals. Offscript and other items would really be at the utilization management at the provider and issuer level.

16:55

Chris: OK. Thank you for that. I would definitely be a little concerned to see GLP-1s be allowed to be included in that weight loss program even if it is a whole holistic approach just because we've seen the cost of those drugs explode and that is what is driving a lot of the increases especially in pharmacy trend. Even when I was talking with Premera, I believe that they had a 300% increase in weight loss and diabetic drugs and that was all from GLP-1s. If we're spending state dollars on that, I would definitely be concerned to see that allowed without a pre-diagnosis or pre-diabetic diagnosis and just lead to a lot of extra spending that I think we could probably do it another way, I guess. That's my comment. Thank you guys.

17:44

Heather: Thank you Chris for those questions and that comment. We are taking that into consideration. Does anybody else have a question? If there are no immediate questions, I'll just go on mute, and we will see if others join or if anybody does come up with a question.

28:33

Alright. We have a new question in the chat. Give us just a second. Which state was noted that we are following? We are not following any particular state. The state that was mentioned by Matt from Wakely was North Dakota and how they added weight loss drugs to their plan. Alaska isn't following any other state's formulary or exact changes if that helps. Feel free to speak up or add other questions to the chat if there are other questions.

33:54

Alright, good morning. We had another person just join the meeting and I just wanted to share that we have open comment now on the essential health benefit changes for the State of Alaska Division of Insurance. Wakely did share some information about what was changing from the first round. That information will be posted and added their slide deck to our website on www.insurance.alaska.gov under Alaska Essential Health Benefits and that website was added in the chat and it will be updated to the online public notice as well. Other than that, Kim, who just joined. If you have any specific question, feel free to chime in; either unmute or you can ask a question in the chat or make any comments. We will continue to hold this meeting open until the noticed ending time at noon.

35:37

Thank you for that comment Kim and just noting you have no comments. Again, if anybody has any comments or questions, feel free to just chime in.

43:57

Hello, just a reminder that we are still in the same public hearing and if you have a question or a comment for the Division, feel free to put it in the chat or just take yourself off mute and go ahead and ask.

58:52

As a final reminder, written comments can be submitted by e-mail to Sarah Bailey at sarah.bailey@alaska.gov or by mail to the Alaska Division of Insurance at PO Box 110805, Juneau AK 99811 or by fax at 907-465-3422.

59:25

All public comments must be received by the division by April 29th, 2024 at 5:00 PM and it is now noon Alaska time and we are closing this public meeting on the essential health benefits.

59:43

Thank you.