New Plan Coverage Challenges for Health Plans

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Plan Coverage in the Future
Discussion Outline

• Non-discrimination in health plans
  – Adult children coverage
  – Transgender care benefits
• Infertility coverage
• Genetic testing
• Medical marijuana
• Biosimilars and genetically designed drugs
• Claims of the future
• Questions
Affordable Care Act (ACA) § 1557

• Prohibits discrimination based on:
  – Race
  – Color
  – National origin
  – Sex
  – Age
  – Disability

• Applies to:
  – Health programs receiving federal funds (i.e., Medicare Part D subsidy or self-insured EGWPs)
  – Insurers in Health Insurance marketplaces
• Requires equal treatment of women and men for healthcare
• Disallows discrimination based on:
  – Pregnancy
  – Gender identity
  – Sex stereotyping
• Permits neutral medical management standards such as medical necessity
• Requires meaningful access/communication for:
  – Individuals with limited English proficiency
  – Individuals with disabilities
### ACA § 1557 Effective Dates

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meaningful access, accessibility, taglines and notices</td>
<td>October 16, 2016</td>
</tr>
<tr>
<td>Plan design changes*</td>
<td>First plan year beginning on or after January 1, 2017</td>
</tr>
</tbody>
</table>

*Typical impacts are to transgender care and adult dependent child pregnancies*
Adult Dependent Pregnancies

- Affected self-insured plans must now cover maternity care for dependent daughters
  - Coverage not required for adult dependent’s child
- Incidence and cost*
  - Frequency:
    - 24 births per 1,000 for ages 15 -19
    - 38 births per 1,000 for ages 20 -26
  - Average cost:
    - With complications $20,000
    - Without complications $10,000

*National Center of Health Statistics 2014 study
Transgender Care

• Affected plans cannot:
  – Deny or limit coverage of available services to a transgender individual based on current gender
  – Use categorical exclusions or limitations for gender transition related health services
  – Limit coverage or impose additional cost sharing or restrictions that result in discrimination
Communications

• Notices regarding the non-discrimination rules
  – Model notice is available
  – Include in publications such as SPDs, SMMs, and enrollment materials, post in public places, and include on website
  – Provide language assistance, examples:
    • Qualified oral interpreters
    • Written translators
    • TTY communications for individuals with disabilities
  – Include taglines regarding translation in at least the top 15 languages in the state
# Transgender Care Prevalence

<table>
<thead>
<tr>
<th>Service</th>
<th>Multiemployer Plans n=191</th>
<th>Public Employers n=47</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transgender inclusive benefits</td>
<td>10.6%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Gender-reassignment/affirmation surgery</td>
<td>3.7%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Mental health counseling pre-and/or post surgery</td>
<td>7.3%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Prescription drug therapy</td>
<td>6.3%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Physician visits</td>
<td>6.8%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Lab tests</td>
<td>6.3%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Cosmetic surgery</td>
<td>1.0%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Birth-gender preventive care post transition</td>
<td>2.6%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

Source: Employee Benefits Survey 2016 Results—International Foundation of Employee Benefit Plans


Incidence and Cost

- **2013 Williams Institute study:**
  - Transgender services utilization rates ~1/10,000 employees
  - Not all transgender persons seek complete or partial gender transitions

- **2015 Johns Hopkins School of Public Health study:**
  - Transgender care incremental cost ~$0.016 PMPM

- Expanded coverage may increase both prevalence and cost
Actions

• Insured and impacted self-insured plans are:
  – Removing all transgender exclusions
  – Applying medical necessity rules to transgender services as applied to other medical services
    • Sex reassignment surgery
    • Behavioral therapy
    • Cosmetic procedures to improve gender specific appearance are generally not covered
      – Adam’s apple reduction
      – Breast augmentation
      – Facial bone reconstruction
Prescription benefit managers are:
  – Changing the prior authorization criteria for drugs such as Gonadotropin releasing hormone agonists, Testosterone and Depo-Provera
  – Expecting low cost for hormone therapy

Self-insured plans should evaluate the cost of compliance versus the federal funding
  – Make plan design changes
  – Provide notices
  – Appoint an individual to coordinate compliance efforts and investigate grievances, if applicable
All Non-Grandfathered Plans

• Preventive care benefits must be adjusted:
  – Coverage of transgender individuals based on current gender
    • Remove gender edits from screenings such as mammograms and medications such as folic acid and aspirin
  – Coverage of preventive maternity care for adult dependent children
Questions

- Do you cover or plan to cover gender transition surgery in the next 6 months?
  1. Cover now
  2. Cover next year
  3. Will not cover
Questions

• Do you currently cover dependent child pregnancies?
  1. Yes
  2. No
  3. No, but will cover next year
Infertility

- Infertility treatment and fertility preservation are typically not covered by multiemployer plans
  - Some plans cover surrogate pregnancies
- Infertility treatment is considered an essential health benefit in some states
- Growing support for coverage expansion
  - Concern about cost
  - Medical coverage guidelines and limits should apply
## Infertility Coverage Prevalence

<table>
<thead>
<tr>
<th>Fertility Services</th>
<th>Corporations (n=262)</th>
<th>Public Employers (n=34)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egg harvesting/freezing services</td>
<td>1.9%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Fertility medications</td>
<td>8.0%</td>
<td>14.7%</td>
</tr>
<tr>
<td>In vitro fertilization (IVF) treatments</td>
<td>13.4%</td>
<td>17.6%</td>
</tr>
<tr>
<td>Non-IVF fertility treatments e.g.:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>gamete intra-fallopian transfer (GIFT)</td>
<td>6.1%</td>
<td>2.9%</td>
</tr>
<tr>
<td>zygote intra-fallopian transfer (ZIFT)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>intracytoplasmic sperm injection (ICSI)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visits with counselors e.g.:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>geneticists</td>
<td>4.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>surrogacy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Employee Benefits Survey 2016 Results—International Foundation of Employee Benefit Plans
Questions

• Do you cover infertility treatment?
  1. Yes, with limits
  2. No
Questions

• Do you cover fertility preservation?
  1. Yes, with limits
  2. No
Genetic testing uses laboratory methods to look at genes (inherited DNA) to:

- Diagnose disease and determine illness severity
- Identify increased risks of developing health problems or those that can be passed on to children
- Choose treatments
- Assess responses to treatments (pharmacogenomic testing helps providers choose the medication to match the genetic makeup)
Genetic Testing (continued)

- Availability of genetic tests growing
  - Examples: Hereditary breast, ovarian, and colorectal cancer and hereditary QT heart condition
  - Newer tests for other hereditary cancers and pediatric developmental delays
  - Whole exome sequencing (WES) analyzes all genes and coding sections (exons) for Alzheimer’s disease at lower costs than whole-genome sequencing
• Geonome tests are used to guide efficacy and safety of medications
  – HIV patients tested to rule out those with hypersensitivity reactions
  – Response to behavioral health therapy medications
• Medical guideline policy should be used to address medical necessity of genetic testing procedure codes
Genetic Counseling increasingly being required before testing
  – Helps patients understand which tests they need based on family health history and risk factors
  – Discuss personalized report with patient and provider

Genetic Information Nondiscrimination Act protects against genetic discrimination in health insurance and employment
Questions

- Do you cover genetic testing?
  1. Yes
  2. No
Medical Marijuana

• Medical marijuana is the unprocessed marijuana plant or its basic extracts used to treat
  – Diseases such as cancer and HIV
  – Symptoms of pain, nausea, or loss of appetite
• 25 states + DC have enacted laws to legalize it
  – Quantities vary by state
  – Can be bought from an authorized seller
Medical marijuana is not FDA approved

- Controlled substances that violate federal law are not qualifying medical expenses even if allowed by state law
- Law is not clear if this coverage can be provided as a taxable benefit
Medical Marijuana (continued)

- Oral FDA approved drugs in the cannabinoid class are covered for nausea with chemotherapy
  - Clinical guidelines/prior authorization apply
  - Examples include Dronabinol and Nabilone
- IFEBP 2016 survey incidence of benefits offered
  - 2.1% of 47 public employers
  - 3.1% of 191 multiemployers
Questions

• Will you cover medical marijuana if FDA approved?
  1. Yes with medical management
  2. No
Biosimilar Drugs

• ACA’s Biologics Price Competition and Innovation Act (BPCI) created a fast track for biological products that are “biosimilar” to or “interchangeable” with an FDA-licensed biological product

• Biological products are medications made from living organisms that are used to treat conditions such as rheumatoid arthritis, anemia, inflammatory bowel disease, psoriasis, and certain cancers
Biosimilar Drugs (continued)

• FDA-approved biosimilars are highly similar to already approved reference biological products
  – Can be likened to a therapeutic alternative
• Interchangeable biological product is not only biosimilar but it is expected to produce the same clinical result as the reference biological product and can be substituted
  – Can be likened to a generic drug for a brand name drug
Biosimilar Drugs (continued)

- Only four FDA-approved: biosimilars/reference products
  - Zarxio/Neupogen
  - Inflectra/Remicade
  - Erelzi/Enbrel
  - Amjevita/Humira
Biosimilar Drugs (continued)

- Uptake depends on
  - Patient and prescriber education and confidence in clinical value of therapy
  - Potential savings
  - Coding for billing modifier
  - Patent litigation delays
  - Settlement agreements
Genetically Designed Drugs

- Shift in oncology medications from FDA-approved single indications for a particular therapy to combination therapies such as:
  - Immunotherapy which harnesses the capabilities of the immune system to target cancer cells directly while leaving health tissue alone
    - Examples: Keytruda and Opdivo for melanoma, now expanded to treat non-small cell lung cancer and renal cell carcinoma
  - Combination therapies can double the cost of treatment
Questions

• Do you plan to shift participants to biosimilar drugs?
  1. Yes with clinical management
  2. No
Claims of the Future

Welcome to the world of TOMORROW!!!
Claims of the Future

- Home visits by providers
- Medical 3-D printing
  - Prosthetics including prosthetic hands
  - Drugs
  - Simple organs
- Implantation devices such as pacemakers
- Naturally controlled artificial limbs
- Augmented reality for surgeons
  - Holographic imaging
Claims of the Future (continued)

- Non-invasive fetal DNA testing for Down’s syndrome
- Cancer screening using changes in the structure of blood proteins
- Geonomic directed clinical trials
- Gene editing to eliminate genetic-based disease
- Remote monitoring using biosensors
- Neurovascular stent retriever
Claims of the Future (continued)

- Realtime diagnostics
- Nanorobots in blood to deliver chemotherapy and repair cells
- Blood tests using micro-samples of blood
- Three parent baby
- Vaccines to prevent public health epidemics such as Ebola
- New diseases
Questions

• Does your plan language automatically cover new treatments/procedures?
  1. Yes
  2. No
Questions

• Who do you rely on for information/advice on new treatment/coverage issues?
  1. Medical/PBM vendor
  2. Third party administrator
  3. Medical director or review organization
  4. Consultant
Questions

• Do you periodically review and update plan exclusions?
  1. Yes
  2. No
New Plan Coverage
Challenges for Health Plans

- Non-discrimination compliance requires plan design and communication changes for affected plans
- Growing support for infertility coverage
- Increase in genetic testing accompanied by counseling and medical guidelines
- Medical marijuana is not FDA approved
- Advent of biosimilar drugs
- Future claims include home visits, medical 3-D printed prosthetics, genetically designed therapies, gene editing, realtime diagnostics, etc.
- How will you cope with new coverage challenges?

Website Resources
2017 Educational Programs
Health and Welfare

63rd Annual Employee Benefits Conference
October 22-25, 2017
Las Vegas, Nevada
www.ifebp.org/usannual

Certificate Series
February 27-March 4, 2017
Lake Buena Vista (Orlando), Florida
March 24-29, 2017
Denver, Colorado
www.ifebp.org/certificateseries

Health Care Management Conference
May 1-3, 2017
New Orleans, Louisiana
www.ifebp.org/healthcare

Certificate of Achievement in Public Plan Policy (CAPPP®)
Part I and Part II, June 13-16, 2017
San Jose, California
Part II Only, October 21-22, 2017
Las Vegas, Nevada
www.ifebp.org/cappp

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Self-Funding Health Benefit Plans
Item #7563
www.ifebp.org/SelfFunding