California Health Benefits Review Program

Legislative Briefing about CHBRP:
Providing Independent and Evidence-based Analysis of Health Insurance Benefit Mandate and Repeal Bills

January 29, 2015
California Health Benefits Review Program

Overview

Garen Corbett, MS
Director

January 29, 2015
Outline for this Briefing

• Overview of CHBRP
  ◦ What, Who, How
  ◦ The Process for Benefit Mandates

• The Health Insurance Landscape in California

• What you will find in CHBRP’s Reports
  ◦ Medical Effectiveness Analysis
  ◦ Benefit Coverage, Cost, Utilization Analysis
  ◦ Public Health Analysis

• Other useful other publications/products

• CHBRP Reauthorization
What is CHBRP?

• CHBRP is an independent, analytic resource serving the Legislature, grounded in academia and policy analysis
  ◦ Administered by the University of California
  ◦ Provides timely, evidence-based information to the Legislature
  ◦ Charged with analyzing the:
    1) Medical effectiveness;
    2) Projected cost(s); and
    3) Public health impacts of health insurance benefit mandates or repeals.
CHBRP Reports Enhance Understanding

• Expert – leverages faculty and researchers, policy analysts, and an independent actuary to perform evidence-based analysis

• Neutral – without specific policy recommendations

• Fast – 60 days or less
CHBRP’s Website: www.chbrp.org
CHBRP Reports Enhance Understanding of Health Insurance

- Health Insurance Benefits:
  - Benefits are tests/treatments/services appropriate for one or more conditions/diseases

- Health Insurance Benefit Mandates are:
  - Requirements imposed on health insurance (whether publicly financed or privately financed) to cover specific benefits or alters terms and conditions of coverage
How CHBRP Works

• Upon receipt of the Legislature’s request, CHBRP convenes multi-disciplinary, analytic teams
• CHBRP staff manage the teams, complete policy context
• Each analytic team evaluates:

<table>
<thead>
<tr>
<th>Medical Effectiveness</th>
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</thead>
<tbody>
<tr>
<td>What services/treatments are included?</td>
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<tr>
<td>Do they work? What studies have been done?</td>
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<table>
<thead>
<tr>
<th>Cost Projections</th>
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<tbody>
<tr>
<td>Will enrollees use it?</td>
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<tr>
<td>How much will it cost?</td>
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<tr>
<th>Public Health Impacts</th>
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<tr>
<td>What impacts on the community’s overall health?</td>
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<td>What are the health outcomes</td>
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CHBRP’s 60-Day or Less Timeline

Mandate Bill Introduced and Request sent to CHBRP

Team Analysis

Vice Chair/CHBRP Director Review

Final to Legislature

National Advisory Committee

Revisions
Health Insurance is …

… insurance against some or all financial loss due to health-related expenses,

or

… an agreement that a 3rd party will help defray medically necessary health spending.
Health Insurance is …

• Regulated

• Divided into markets

• Subject to benefit mandates
State-regulated health insurance…

… defined by a health care service plan contract.
  • Subject to CA Health & Safety Code
  • Regulated by DMHC
State-regulated health insurance…

… defined by a health insurance policy.
  • Subject to CA Insurance Code
  • Regulated by CDI
Health Insurance in California

Uninsured - 7%

Neither* - 31%

State-regulated health insurance - 62%

California Regulatory Agency

CDI - 9%

DMHC - 91%

*Neither = Federally regulated health insurance, such as Medicare, veterans, or self-insured plans.
Source: California Health Benefit Review Program, 2014
## Health Insurance Markets in California

<table>
<thead>
<tr>
<th>DMHC-Regulated Plans</th>
<th>CDI-Regulated Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Group</td>
<td>Large Group</td>
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<tr>
<td>Small Group</td>
<td>Small Group</td>
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<tr>
<td>Individual</td>
<td>Individual</td>
</tr>
<tr>
<td>Medi-Cal Managed Care</td>
<td></td>
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</table>
Benefit Mandates

Laws requiring health insurance to:

• Cover screening, diagnosis, or treatment for a condition or disease;
• Cover specific treatments or services;
• Cover specific types of providers; and/or
• Apply specific terms to benefit coverage (such as visit limits, co-pays, etc).
Benefit Mandates

State Laws (Health & Safety/Insurance Codes)
• 63 benefit mandates in California

Federal Laws
• Pregnancy Discrimination Act
• Newborns’ & Mothers’ Health Protection Act
• Women’s Health and Cancer Rights Act
• Mental Health Parity and Addiction Equity Act
• Affordable Care Act
Benefit Mandates

California Health Benefits Review Program

Resource:
Health Insurance Benefit Mandates in California State and Federal Law

January 14, 2014
California
Health Benefits
Review Program

What will you find in a CHBRP report?

Laura Grossmann and Hanh Kim Quach
Principal Analysts

January 29, 2015
What will you find in a CHBRP report?

• What is in a CHBRP report? What questions does the report ask and answer?

• How is the report structured? Where can I find the information I am looking for?

• A CHBRP report can get pretty technical – what do I need to know to understand a CHBRP report?

• What other resources does CHBRP have that I might find useful?
What is in a CHBRP report?
CHBRP Reports Provide:

• A description of what the bill would do.

• An explanation of how the mandate would interact with:
  ◦ Existing state law and state mandates; and
  ◦ Existing federal law and federal mandates.

• Information on the bill’s subject matter (e.g., background information, context).
  ◦ **General categories of bill topics**: Disease/condition-specific; treatment-specific; or general health insurance issue. Information can include:
    ▪ Description;
    ▪ Estimates;
    ▪ Information on treatment(s);
    ▪ The impact of the disease, treatment/technology, and/or health insurance constraint on specific populations.
A CHBRP Report Answers the Questions:

• Does scientific evidence indicate whether the treatment/service works?

• What are the estimated impacts on coverage, utilization and costs of the treatment/service?

• What is the potential value of a proposed health benefit mandate? What health outcomes are improved at what cost?

• What are the potential benefits and costs of a mandate in the long-term?
How is the report structured?
Structure of a CHBRP Report

• Executive Summary

• Full report – 6 sections:
  ◦ Policy Context
  ◦ Background
  ◦ Medical Effectiveness
  ◦ Cost Impacts (Benefit Coverage, Utilization, and Cost Impacts)
  ◦ Public Health Impacts
  ◦ Long-Term Impacts
### Medical Effectiveness Categories of Evidence

<table>
<thead>
<tr>
<th>Clear &amp; Convincing</th>
<th>Preponderance of Evidence</th>
<th>Ambiguous / Conflicting</th>
<th>Insufficient Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>It works.</td>
<td>It seems to work.</td>
<td>The evidence cuts both ways.</td>
<td>There is not enough evidence to determine whether it does or does not work.</td>
</tr>
<tr>
<td>OR</td>
<td>OR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>It doesn’t work.</td>
<td>It seems not to work.</td>
<td></td>
<td></td>
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</tbody>
</table>

- It works.
- It seems to work.
- It seems not to work.
- The evidence cuts both ways.
- There is not enough evidence to determine whether it does or does not work.
• Cost Impact Analysis measures *incremental change* in three areas:
  ◦ **Coverage:** Will more enrollees have coverage for the treatment/service?
  ◦ **Utilization:** Now that enrollees have coverage for the treatment/service, will use of the treatment/service change?
  ◦ **Cost:** What is the change in total cost – taking into account *both* the change in coverage and change in utilization of a treatment/service.
## Public Health Impacts Conclusions

<table>
<thead>
<tr>
<th>Quantitative</th>
<th>Qualitative</th>
<th>No Impact</th>
<th>Unknown Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tobacco Cessation Services</td>
<td>Maternity Services</td>
<td>Cancer Related Lumpectomy</td>
<td>Telephonic and Electronic Office Visits</td>
</tr>
<tr>
<td>+5,000 quitters and +40,000 life years</td>
<td>Less infant mortality and fewer pre-term births</td>
<td>Already covered, therefore no change.</td>
<td>Enrollee and provider behavior unknown; therefore PH impact of change unknown</td>
</tr>
</tbody>
</table>
Long-Term Impacts

• **Estimates reflect 12-month timeframe:**
  The report estimates reflect only the 12 months after enactment of the benefit.

• **Mandates are in effect longer than 12 months:**
  The benefits and costs of a mandate do not often accrue until many years after a mandate has been enacted.
What do I need to know to understand a CHBRP report?
CHBRP Analyzes Incremental Impact on State-Regulated Health Insurance

Uninsured - 7%

Neither* - 31%

State-regulated health insurance - 62%

California Regulatory Agency

CDI - 9%

DMHC - 91%

Uninsured - 7%

Neither* = Federally regulated health insurance, such as Medicare, veterans, or self-insured plans.
Source: California Health Benefit Review Program, 2014
Important to Note About Cost Impact Analysis

• Estimates: They are estimates.

• 12-month timeframe: They reflect the 12 months after enactment of the benefit.

• Affects only state-regulated health insurance: Not all enrollees with health insurance will be affected, only those with state-regulated health insurance, or insurance specified in the proposed mandate.
What are the other resources CHBRP has that I might find useful?
Other CHBRP Resources:

• Health Insurance Benefit Mandates in California State and Federal Law

• Outpatient Prescription Drug Coverage 101

• What is Cost Sharing in Health Insurance?

• California State Benefit Mandates and the Affordable Care Act’s “Essential Health Benefits”

• Forthcoming:
  ◦ A brief on network adequacy
  ◦ A brief on that further changes the ACA will bring in the coming years
  ◦ Estimates of Sources of Health Insurance in California for 2016
  ◦ Federal Preventive Services Benefit Mandate and California Benefits Mandates (update)

• All available at: www.chbrp.org.
California Health Benefits Review Program

Reauthorization

Garen Corbett, MS
Director

January 29, 2015
Reauthorization

**AB 1578 (2014)** would have:

- Suggested a more flexible analytic timeline.

- Broadened CHBRP’s scope to include:
  - Assessing “legislation that impacts health insurance benefit design, cost sharing, premiums, and other health insurance topics,” and
  - Analyzing proposed mandates’ impacts on essential health benefits and Covered California.

- Kept CHBRP’s funding level.

- Extended CHBRP’s sunset date beyond Dec 31, 2015.
What We Have Heard

• Well-respected
• Independent
• Work is of high quality
• Rigorous
What We Also Heard

CHBRP’s Operations

More Flexibility
- Loosen “rules” for using CHBRP
- Faster turnaround options
- Ongoing analysis of amendments

More Readability
- Shorter, more accessible reports

More Transparency
- Around budgets, staffing, faculty costs
- Increased Sacramento visibility/ presence

CHBRP’s Charge

Broader
- Additional analysis of benefit design, cost-sharing, specialty drugs, emerging technology, and EHBs, as “traditional” benefit mandate bills may be introduced less often
What We Are Proposing

**CHBRP’s Operations:**

- Re-imagined reports - designed to support busy staff with a greater focus on brevity and layperson terms
- Flexible turnaround times - faster than 60 days, depending on situation

**CHBRP’s Charge:**

- Broader analytic capabilities - analyses on a broader array of health insurance topics
- Annual off-season reports - deeper analyses on issues of interest to the Legislature
California Health Benefits Review Program

Questions and Answers

CHBRP’s website: www.chbrp.org

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