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**Bcc:**

**Subject:** 2016 SBD Bronze Design & Prescription Drug End Notes

**Date:** Tuesday, June 09, 2015 1:00:00 PM

**Attachments:** [2016 SBD Prescription Drug Attestation.docx](#)  
[2016 SBD Prescription Drug Compliance Demonstration.xlsx](#)  
[Bronze Cost Accumulation Examples 6-8-15.xlsx](#)

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Good Afternoon,

Qualified Health Plans certified by Covered California in the Individual and SHOP Exchanges for Plan Year 2016, are required to follow the 2016 Standard Benefit Plan Designs (“SBD”) with respect to products offered on the Exchange as well as for mirrored products offered off the Exchange. (See Section 1366.6 (a-c).) Health plans that do not participate in the Exchange are also required, with respect to individual or small employer plan contracts that cover hospital, medical, or surgical benefits, to offer at least one standardized product that has been designated by the Exchange in each of the four levels of coverage. (See Section 1366.6 (d-e).)

Covered California and the Department of Managed Health Care worked together to develop 1) an explanation along with a series of examples that explain how costs should accumulate for the revised Bronze metal level benefit design that was adopted at the May 21, 2015 board meeting and 2) a spreadsheet and affidavit that plans may use to demonstrate compliance with endnotes 19 - 22 to the 2016 Standard Benefit Plan Designs.

### **Bronze Metal Level Plan Design**

The following is a brief explanation of the revised Bronze metal level design:

- 1) There are two deductibles: (1) medical of \$6,000 and (2) pharmacy of \$500
- 2) There is a single out of pocket maximum of \$6,500
- 3) There is a \$500 cap on prescription drugs that applies to all tiers (1-4) and not just tier 4 (the cap only applies to tier 4 in all other plan designs)
- 4) The deductible for medical is \$6,000. Therefore, an enrollee must pay allowed charges for most medical/surgical benefits until s/he spends \$6,000. After the deductible is met, the enrollee will pay cost share for services, until s/he reaches the OOPM of \$6,500. For many services, the cost share is 100% - while this seems counterintuitive, it basically means that the enrollee will pay full cost up to \$500 after s/he meets the deductible (because the OOPM is \$6,500 and the deductible is \$6,000 – therefore the difference is \$500.) Once the enrollee hits the OOPM of \$6,500 s/he is covered completely and pays no more cost sharing.
- 5) For prescription drugs there is a separate deductible of \$500. Once that deductible is met, the cap kicks in and caps the cost for all prescription drugs at \$500. For example, let’s say in month one, the enrollee is prescribed a high cost tier 4 drug that costs \$3,000. Rather than pay the \$3k, the enrollee would be out \$1,000 (\$500 meets the deductible and then the cap kicks in, so \$500 plus \$500 equals \$1,000). If the enrollee needed that same drug next month, s/he would pay \$500, since the deductible has already been met. The enrollee

would continue to pay up to the \$500 cap for each prescription drug until the enrollee reaches the OOPM of \$6,500. Again, there is only one OOPM so it could be a combination of prescription drug costs and other medical costs that accrue towards the \$6,500.

For additional examples, please see the attachment titled "Bronze Cost Accumulation Examples."

**2016 SBD Prescription Drug Attestation and 2016 SBD Prescription Drug Compliance Demonstration**

Plans that opt to use the documents included above to demonstrate compliance with the 2016 SBD prescription drug requirements should follow the instructions included below for submission in the E-filing system.

Please submit the following:

- Please submit an Exhibit E-1 that contains a list of each products (specifying each metal level, each market, and each network) offered by the plan that is required to comply with 2016 Standard Benefit Design and an explanation of whether the plan utilizes the same formulary or different formularies for the different plan designs.
- For each different formulary utilized for products required to comply with the 2016 Standard Benefit Design, please submit (1) an Exhibit T-3 that contains a copy of the formulary (2) an Exhibit T-2 that contains a completed 2016 SBD Prescription Drug Compliance Demonstration and (3) an Exhibit T-5 that contains a signed 2016 SBD Prescription Drug Compliance Affidavit.

For additional questions or concerns, please contact your assigned reviewer at the DMHC.

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The plan hereby certifies that the Plan's prescription drug formulary meets the following requirements specified in the 2016 Standard Benefit Design, Title 10, California Code of Regulations, Section 6432:

1. The plan's formulary contains tiers defined as follows:

Tier	Definition
1	1) Most generic drugs and low cost preferred brands.
2	1) Non-preferred generic drugs or;
	2) Preferred brand name drugs or;
	3) Recommended by the plan's pharmaceutical and therapeutics (P&T) committee based on drug safety, efficacy and cost.
3	1) Non-preferred brand name drugs or;
	2) Recommended by P&T committee based on drug safety, efficacy and cost or;
	3) Generally have a preferred and often less costly therapeutic alternative at a lower tier.
4	1) Food and Drug Administration (FDA) or drug manufacturer limits distribution to specialty pharmacies or;
	2) Self administration requires training, clinical monitoring or;
	3) Drug was manufactured using biotechnology or;
	4) Plan cost (net of rebates) is >\$600.

2. The plan formulary includes at least one drug in Tiers 1 or 2 or 3 if all FDA-approved drugs in the same drug class would otherwise qualify for Tier 4 and at least 3 drugs in that class are available as FDA-approved drugs.
3. The plan has complied with 45 CFR Section 156.122(d) dated February 27, 2015 which requires the health plan to publish an up-to-date, accurate and complete list of all covered drugs on its formulary list including any tiering structure that is adopted.
4. The plan's formulary and EOC include a clear written description of the exception process that an enrollee could use to obtain coverage of a drug that is not included on the Plan's formulary.

The undersigned attests to this certification on \_\_\_\_\_.

Name:

Signature:

Qualified Health Plans certified by Covered California in the Individual and SHOP Exchanges for Plan Year 2016, are required to follow the 2016 Standard Benefit Plan Designs with respect to products offered on the Exchange as well as for mirrored products offered off the Exchange. (See Section 1366.6(a-c)). Health plans that do not participate in the Exchange are also required, with respect to individual or small employer plan contracts that cover hospital, medical, or surgical benefits, to offer at least one standardized product that has been designated by the Exchange in each of the four levels of coverage. (See Section 1366.6 (d-e).) To demonstrate compliance with endnotes 19 and 20 to the 2016 Standard Benefit Plan Designs, plans may complete the form below for those products offered by the plan in plan year 2016 that must conform the 2016 Standard Benefit Plan Design.

Drug Category	Drug Class	Number of drugs in plan formulary included in Tier 1	Number of drugs in plan formulary included in Tier 2	Number of drugs in plan formulary included in Tier 3	Number of drugs in plan formulary included in Tier 4	Number of FDA-approved drugs in the drug class that would qualify for Tier 4 (not necessarily in the plan's formulary)	Number of FDA-approved drugs in the drug class	Please mark an X here if the plan formulary was modified to include at least one drug in Tiers 1 or 2 or 3 because all FDA-approved drugs in the same drug class would otherwise qualify for Tier 4 and at least 3 drugs in that class are available as FDA-approved drugs.
ANALGESICS	NONSTEROIDAL ANTI-INFLAMMATORY DRUGS							
ANALGESICS	OPIOID ANALGESICS, LONG-ACTING							
ANALGESICS	OPIOID ANALGESICS, SHORT-ACTING							
ANESTHETICS	LOCAL ANESTHETICS							
ANTI-ADDICTION/SUBSTANCE ABUSE TREATMENT AGENTS	ALCOHOL DETERRENTS/ANTI-CRAVING							
ANTI-ADDICTION/SUBSTANCE ABUSE TREATMENT AGENTS	OPIOID ANTAGONISTS							
ANTI-ADDICTION/SUBSTANCE ABUSE TREATMENT AGENTS	SMOKING CESSATION AGENTS							
ANTI-INFLAMMATORY AGENTS	GLUCOCORTICIODS							
ANTI-INFLAMMATORY AGENTS	NONSTEROIDAL ANTI-INFLAMMATORY DRUGS							
ANTIBACTERIALS	AMINOGLYCOSIDES							
ANTIBACTERIALS	ANTIBACTERIALS, OTHER							
ANTIBACTERIALS	BETA-LACTAM, CEPHALOSPORINS							
ANTIBACTERIALS	BETA-LACTAM, OTHER							
ANTIBACTERIALS	BETA-LACTAM, PENICILLINS							
ANTIBACTERIALS	MACROLIDES							
ANTIBACTERIALS	QUINOLONES							
ANTIBACTERIALS	SULFONAMIDES							
ANTIBACTERIALS	TETRACYCLINES							
ANTICONVULSANTS	ANTICONVULSANTS, OTHER							
ANTICONVULSANTS	CALCIUM CHANNEL MODIFYING AGENTS							
ANTICONVULSANTS	GAMMA-AMINOBUTYRIC ACID (GABA) AUGMENTING AGENTS							
ANTICONVULSANTS	GLUTAMATE REDUCING AGENTS							
ANTICONVULSANTS	SODIUM CHANNEL AGENTS							
ANTIDEMENTIA AGENTS	ANTIDEMENTIA AGENTS, OTHER							
ANTIDEMENTIA AGENTS	CHOLINESTERASE INHIBITORS							
ANTIDEMENTIA AGENTS	N-METHYL-D-ASPARTATE (NMDA) RECEPTOR ANTAGONIST							
ANTIDEPRESSANTS	ANTIDEPRESSANTS, OTHER							
ANTIDEPRESSANTS	MONOAMINE OXIDASE INHIBITORS							
ANTIDEPRESSANTS	SEROTONIN/NOREPINEPHRINE REUPTAKE INHIBITORS							
ANTIDEPRESSANTS	TRICYCLICS							
ANTIEMETICS	ANTIEMETICS, OTHER							
ANTIEMETICS	EMETOGENIC THERAPY ADJUNCTS							
ANTIFUNGALS	NO USP CLASS							
ANTIGOUT AGENTS	NO USP CLASS							
ANTIMIGRAINE AGENTS	ERGOT ALKALOIDS							
ANTIMIGRAINE AGENTS	PROPHYLACTIC							
ANTIMIGRAINE AGENTS	SEROTONIN (5-HT) 1B/1D RECEPTOR AGONISTS							
ANTIMYASTHENIC AGENTS	PARASYMPATHOMIMETICS							
ANTIMYCOBACTERIALS	ANTIMYCOBACTERIALS, OTHER							
ANTIMYCOBACTERIALS	ANTITUBERCULARS							
ANTINEOPLASTICS	ALKYLATING AGENTS							
ANTINEOPLASTICS	ANTIANGIOGENIC AGENTS							
ANTINEOPLASTICS	ANTIESTROGENS/MODIFIERS							
ANTINEOPLASTICS	ANTIMETABOLITES							
ANTINEOPLASTICS	ANTINEOPLASTICS, OTHER							
ANTINEOPLASTICS	AROMATASE INHIBITORS, 3RD GENERATION							

ANTINEOPLASTICS  
ANTINEOPLASTICS  
ANTINEOPLASTICS  
ANTINEOPLASTICS  
ANTIPARASITICS  
ANTIPARASITICS  
ANTIPARASITICS  
ANTIPARASITICS  
ANTIPARKINSON AGENTS  
ANTIPARKINSON AGENTS  
ANTIPARKINSON AGENTS  
ANTIPARKINSON AGENTS  
ANTIPARKINSON AGENTS  
ANTIPSYCHOTICS  
ANTIPSYCHOTICS  
ANTIPSYCHOTICS  
ANTISPASTICITY AGENTS  
ANTIVIRALS  
ANTIVIRALS  
ANTIVIRALS  
ANTIVIRALS  
ANTIVIRALS  
ANTIVIRALS  
ANTIVIRALS  
ANTIVIRALS  
ANTIVIRALS  
ANXIOLYTICS  
ANXIOLYTICS  
BIPOLAR AGENTS  
BIPOLAR AGENTS  
BLOOD GLUCOSE REGULATORS  
BLOOD GLUCOSE REGULATORS  
BLOOD GLUCOSE REGULATORS  
BLOOD PRODUCTS/MODIFIERS/VOLUME EXPANDERS  
BLOOD PRODUCTS/MODIFIERS/VOLUME EXPANDERS  
BLOOD PRODUCTS/MODIFIERS/VOLUME EXPANDERS  
BLOOD PRODUCTS/MODIFIERS/VOLUME EXPANDERS  
CARDIOVASCULAR AGENTS  
CENTRAL NERVOUS SYSTEM AGENTS

ENZYME INHIBITORS  
MOLECULAR TARGET INHIBITORS  
MONOCLONAL ANTIBODIES  
RETINOIDS  
ANTHELMINTICS  
ANTIPROTOZOALS  
PEDICULICIDES/SCABICIDES  
ANTICHOLINERGICS  
ANTIPARKINSON AGENTS, OTHER  
DOPAMINE AGONISTS  
DOPAMINE PRECURSORS/L-AMINO ACID DECARBOXYLASE INHIBITORS  
MONOAMINE OXIDASE B (MAO-B) INHIBITORS  
1ST GENERATION/TYPICAL  
2ND GENERATION/ATYPICAL  
TREATMENT-RESISTANT  
NO USP CLASS  
ANTI-CYTOMEGALOVIRUS (CMV) AGENTS  
ANTI-HIV AGENTS, NON-NUCLEOSIDE REVERSE TRANSCRIPTASE INHIBITORS  
ANTI-HIV AGENTS, NUCLEOSIDE AND NUCLEOTIDE REVERSE TRANSCRIPTASE INHIBITORS  
ANTI-HIV AGENTS, OTHER  
ANTI-HIV AGENTS, PROTEASE INHIBITORS  
ANTI-INFLUENZA AGENTS  
ANTIHEPATITIS AGENTS  
ANTIHERPETIC AGENTS  
ANXIOLYTICS, OTHER  
SSRIS/SNRIS (SELECTIVE SEROTONIN REUPTAKE INHIBITORS/SEROTONIN AND NOREPINEPHRINE REUPTAKE INHIBITORS)  
BIPOLAR AGENTS, OTHER  
MOOD STABILIZERS  
ANTIDIABETIC AGENTS  
GLYCEMIC AGENTS  
INSULINS  
ANTICOAGULANTS  
BLOOD FORMATION MODIFIERS  
COAGULANTS  
PLATELET MODIFYING AGENTS  
ALPHA-ADRENERGIC AGONISTS  
ALPHA-ADRENERGIC BLOCKING AGENTS  
ANGIOTENSIN II RECEPTOR ANTAGONISTS  
ANGIOTENSIN-CONVERTING ENZYME (ACE) INHIBITORS  
ANTIARRHYTHMICS  
BETA-ADRENERGIC BLOCKING AGENTS  
CALCIUM CHANNEL BLOCKING AGENTS  
CARDIOVASCULAR AGENTS, OTHER  
DIURETICS, CARBONIC ANHYDRASE INHIBITORS  
DIURETICS, LOOP  
DIURETICS, POTASSIUM-SPARING  
DIURETICS, THIAZIDE  
DYSLIPIDEMICS, FIBRIC ACID DERIVATIVES  
DYSLIPIDEMICS, HMG COA REDUCTASE INHIBITORS  
DYSLIPIDEMICS, OTHER  
VASODILATORS, DIRECT-ACTING ARTERIAL  
VASODILATORS, DIRECT-ACTING ARTERIAL/VENOUS  
ATTENTION DEFICIT HYPERACTIVITY DISORDER AGENTS, AMPHETAMINES



Bronze Cost Accumulation Examples

	Cost of Service	Medical Deductible	Medical Coinsurance	Accumulation to Medical Deductible	Pharmacy Deductible	Pharmacy Coinsurance	Accumulation to Pharmacy Deductible	Accumulation to OOPM
<b>Member A</b>								
Primary Care	\$70	n/a	n/a	\$0	n/a	n/a	n/a	\$70
Broken Arm and Leg	\$5,500	\$5,500	\$0	\$5,500	n/a	n/a	n/a	\$5,570
Follow Up with Xray	\$1,000	\$500	\$430	\$6,000	n/a	n/a	n/a	\$6,500
Primary Care	\$70	n/a	n/a	\$6,000	n/a	n/a	n/a	\$6,500
Primary Care	\$70	n/a	n/a	\$6,000	n/a	n/a	n/a	\$6,500

<b>Member B</b>								
Drug A Month 1	\$3,000	n/a	n/a	\$0	\$500	\$500	\$500	\$1,000
Drug A Month 2	\$3,000	n/a	n/a	\$0		\$500	\$500	\$1,500
Drug A Month 3	\$3,000	n/a	n/a	\$0		\$500	\$500	\$2,000

<b>Member C</b>								
Primary Care	\$70	n/a	n/a	\$0	n/a	n/a	n/a	\$70
Primary Care	\$70	n/a	n/a	\$0	n/a	n/a	n/a	\$140
Primary Care	\$70	n/a	n/a	\$0	n/a	n/a	n/a	\$210
Tonsils Removed	\$3,500	\$3,500	\$0	\$3,500	n/a	n/a	n/a	\$3,710
Antibiotics	\$1,000	n/a	n/a	none	\$500	\$500	\$500	\$4,710
Emergency Room	\$2,500	\$1,790	\$0	\$5,290	n/a	n/a	\$500	\$6,500