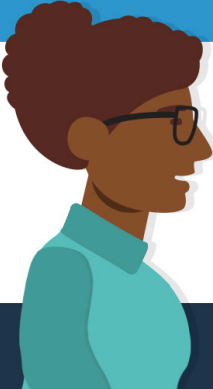



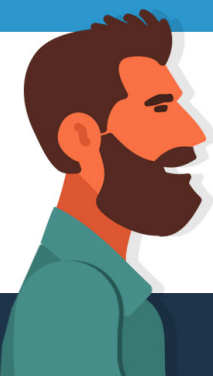

Standardized Plans Can Improve Access To Medicines

In recent years, insurers have increasingly been shifting costs to patients in the form of higher deductibles and more reliance on coinsurance rather than copays. In a step to help address this growing problem, the 2023 Notice of Benefit and Payment Parameters proposed rule includes a change that would require Qualified Health Plans to offer standardized benefit designs on HealthCare.gov. Standardized plans can simplify health insurance enrollment by streamlining plan choices and making the shopping experience more patient friendly. They can also include lower cost sharing, require copayments instead of coinsurance, and designate some services eligible for coverage pre-deductible, increasing access to and affordability of care for patients.

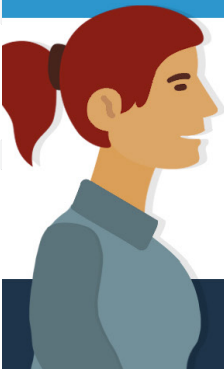

Americans across the country could benefit from the Department of Health and Human Services' proposed standard plans. Here are some hypothetical examples of how patients would fare under the proposed rule:

	UNDER CURRENT PLAN (2022)	UNDER STANDARDIZED PLAN (2023)
 <p> NAME: Melissa AGE: 40 LOCATION: Arizona EXCHANGE PLAN: Gold CONDITION: Multiple Sclerosis MEDICINES: 3 medicines, including one specialty medicine </p>	DEDUCTIBLE: \$2,600	DEDUCTIBLE: \$2,000
	JANUARY OUT-OF-POCKET SPENDING: \$4,894	JANUARY OUT-OF-POCKET SPENDING: \$280
	ANNUAL OUT-OF-POCKET SPENDING: \$8,700	ANNUAL OUT-OF-POCKET SPENDING: \$3,360
	 POTENTIAL SAVINGS ON MEDICINES: \$5,340 PER YEAR	



Melissa's out-of-pocket costs for her medications are projected to total **\$8,700** by the end of the year. Melissa had to pay **\$4,894 in January alone**. If Melissa's gold plan - which she purchases through HealthCare.gov - was the proposed standardized plan, Melissa's out-of-pocket spending for her medicines could decrease to \$3,360 per year - that's **\$5,340 in savings**.

	UNDER CURRENT PLAN (2022)	UNDER STANDARDIZED PLAN (2023)
 <p> NAME: Hernando AGE: 27 LOCATION: Illinois EXCHANGE PLAN: Silver CONDITION: HIV MEDICINES: 1 medicine </p>	DEDUCTIBLE: \$6,100	DEDUCTIBLE: \$5,800
	JANUARY OUT-OF-POCKET SPENDING: \$3,708	JANUARY OUT-OF-POCKET SPENDING: \$40
	ANNUAL OUT-OF-POCKET SPENDING: \$6,100	ANNUAL OUT-OF-POCKET SPENDING: \$480
	 POTENTIAL SAVINGS ON MEDICINES: \$5,620 PER YEAR	

Like Melissa, **Hernando** incurs high out-of-pocket costs for his medications, which are projected to total **\$6,100** by the end of the year. Hernando had to pay **\$3,708 in January alone**. If Hernando's silver plan - which he purchases through HealthCare.gov - was the proposed standardized plan, Hernando's out-of-pocket spending could decrease to just **\$480** per year - that's over 92% in savings for his medicines.

	UNDER CURRENT PLAN (2022)	UNDER STANDARDIZED PLAN (2023)
 <p> NAME: Ava AGE: 38 LOCATION: Michigan EXCHANGE PLAN: Silver CONDITION: Asthma MEDICINES: 2 medicines </p>	DEDUCTIBLE: \$5,500	DEDUCTIBLE: \$5,800
	JANUARY OUT-OF-POCKET SPENDING: \$137	JANUARY OUT-OF-POCKET SPENDING: \$80
	ANNUAL OUT-OF-POCKET SPENDING: \$1,647	ANNUAL OUT-OF-POCKET SPENDING: \$960
	 POTENTIAL SAVINGS ON MEDICINES: \$687 PER YEAR	

Ava's out-of-pocket costs for her medicines are projected to total **\$1,647** by the end of the year. If Ava's silver plan - which she purchases through HealthCare.gov - was the proposed standardized plan, Ava's out-of-pocket spending could decrease to **\$960** - almost half of what she's paying now for her medicines.

	UNDER CURRENT PLAN (2022)	UNDER STANDARDIZED PLAN (2023)
 <p> NAME: Ronnie AGE: 50 LOCATION: Florida EXCHANGE PLAN: Gold CONDITION: Rheumatoid Arthritis MEDICINES: 1 specialty medicine </p>	DEDUCTIBLE: \$5,800	DEDUCTIBLE: \$2,000
	JANUARY OUT-OF-POCKET SPENDING: \$3,257	JANUARY OUT-OF-POCKET SPENDING: \$250
	ANNUAL OUT-OF-POCKET SPENDING: \$5,500	ANNUAL OUT-OF-POCKET SPENDING: \$3,000
	 POTENTIAL SAVINGS ON MEDICINES: \$2,500 PER YEAR	

Ronnie's out-of-pocket costs for his medicines are projected to total **\$5,500** by the end of the year. Ronnie had to pay **\$3,257 in January alone**. If Ronnie's gold plan - which he purchases through HealthCare.gov - was the proposed standardized plan, Ronnie's out-of-pocket spending could decrease to **\$3,000** per year.

Insurance must work like insurance again.

Standardized plans are a critical step and help make patients' costs more predictable and affordable.

Note: Calculations by Avalere Health reflect plan parameters, including cost sharing and drug tiering, from exchange health plans available in the 2022 plan year. Avalere selected sample plans using HealthCare.gov in various states and sorted by lowest premium; the analysis assumes individuals do not receive cost sharing reductions (CSRs). For standardized plan designs, Avalere used proposed standardized plan benefit details outlined in the 2023 Proposed Notice of Benefit and Payment Parameters (NBPP). Avalere used Medicare Plan Finder to determine the retail price for prescription drugs.

