



2018 Out of Network Benefits

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Executive Summary

Benefit decisions for the 2018 plan year were made at the June 1, 2017 board meeting, resulting in an increase in member coinsurance for all out of network (OON) services. With Open Enrollment materials being distributed, questions have been raised by members regarding the increase in OON services. This has prompted some confusion at the Board level as to what specifically was approved for the change in OON services in June. Below is a description of the actions taken by the board at the June meeting.

Background

The board received renewal requests that were above the 3.4% increase target. Through the first half of the year, the board considered options to reduce the increase to meet the target, including an increase in office copayments for Moda and Providence Choice, a closed formulary for Moda and a tiered hospital benefit for hospital services. Included in the tiered hospital plan was an increase in all OON coinsurance from 30% to 40% for all services except emergency department.

One of the board's concerns was the increase in costs of services, not an increase in member utilization was having an impact on the renewal rates. Developing a plan design that incented members to use in-network, contracted providers is one way to address the increase.

Analysis

At the June 1, 2017 meeting, the board reviewed board Attachment 1. Slide 22 (attached) describes the tiered hospital model, including higher coinsurance and out network maximums along with new per-occurrence copayment increases. Slides 23 and 24 show the Moda and Providence plan designs in a matrix format. Out of network office visits are shown with a 40% coinsurance.

The board unanimously voted to accept the renewal offers as described on Slides 3 and 4 (attached).

Several board members have stated they did not understand the 40% coinsurance would apply to all OON services.