

October 9, 2013

The Honorable Kathleen Sebelius
Secretary
Department of Health and Human Services
P.O. Box 8010
Baltimore, MD 21244-8010

Re: Patients Require Access to Out-of-Pocket Cost Calculator to Compare Marketplace Plans

Dear Secretary Sebelius:

We are writing this letter today to emphasize the importance of an out-of-pocket cost estimator for patients comparing health insurance plans in the health insurance marketplaces. The creation of the marketplaces has the potential to greatly improve access to meaningful health care, but this benefit will only be fully realized if people with chronic diseases and disabilities and their family caregivers have access to tools that enable them to make properly informed purchasing decisions.

As you know, the Affordable Care Act requires each health insurance marketplace to establish an electronic calculator to determine the actual cost of coverage in health insurance plans offered through the marketplace, known as qualified health plans (QHPs). The law also requires that the calculator reflect the application of any premium tax credit and/or cost-sharing reduction for eligible individuals. Final regulations released on the topic reiterate that the calculator should “assist individuals in comparing the costs of coverage in available QHPs.” Comments to the proposed regulation emphasized the importance of an out-of-pocket cost estimator to help consumers avoid evaluating plan cost solely on the basis of a low premium. Despite these comments, the Centers for Medicare & Medicaid Services (CMS) did not offer additional specifications on the topic or develop a model calculator for states.

The undersigned organizations are committed to helping patients with chronic diseases and disabilities understand the options that will be available in the new marketplaces. To this end, we strongly encourage CMS to recognize that the “actual cost of coverage” has a broader meaning than premium and select cost-sharing structure alone. For patients to adequately compare costs across available QHPs, they need access to a tool that assists in the calculation of expected out-of-pocket costs across an entire plan year.

CMS already created a similar tool for Medicare beneficiaries shopping for Medicare Advantage plans. This tool allows patients to select their health status (i.e., poor, good, or excellent) and evaluate out-of-pocket estimates for the average amount a beneficiary might expect to spend each year for health and drug coverage. The estimate in the Plan Finder accounts for estimated spending on premiums, deductibles, copayments, and coinsurance. The Plan Finder uses actual utilization data for Medicare beneficiaries to estimate medical benefit spending. It also uses beneficiary-entered data on their specific, expected medication needs to estimate annual spending on prescription drugs.

Though the methodology might not permit Medicare beneficiaries to predict an exact out-of-pocket spending estimate, it does allow them to see approximately how much a person with a health status similar to theirs can expect to spend in different Medicare Advantage plans and Original Medicare. A similar tool for the health insurance marketplaces would be an invaluable resource, particularly for the purchasers of QHPs who may not be as comfortable navigating the complex world of health insurance. In fact, the Actuarial Value Calculator already has spending estimates built directly into the continuance tables that drive the calculation. Conceptually and mechanically, using these expected utilization data organized into different levels of health status to power an out-of-pocket cost estimator for the health insurance marketplaces is a straight forward process.

For consumers with minimal health care needs, comparing plans will be fairly straightforward. In contrast, people with chronic conditions and disabilities and their family caregivers will have much more difficulty analyzing expected out-of-pocket costs without a calculator. It is critical that these patients have the tools to select the right plans to meet their complex health needs. Implementing an out-of-pocket calculator should be among CMS's top priorities for the health insurance marketplaces.

Sincerely,

ActionAIDS

AIDS Alliance for Women, Infants, Children, Youth & Families

AIDS Community Research Initiative of America

The AIDS Institute

AIDS Legal Council of Chicago

AIDS Legal Referral Panel

AIDS Research Consortium of Atlanta

Alliance for Patient Advocacy

Alliance for Prostate Cancer Prevention

Alpha-1 Association

Alpha-1 Foundation

The ALS Association

American Association on Health and Disability

American Association for Respiratory Care

American Autoimmune Related Diseases Association

American Cancer Society Cancer Action Network

American Foundation for Suicide Prevention/SPAN USA

American Kidney Fund

American Lung Association

American Medical Association

American Nurses Association

Amputee Coalition

Arthritis Foundation

Asthma and Allergy Foundation of America

Bladder Cancer Advocacy Network

Cancer Support Community

C-Change
Community Access National Network
Community Health Charities
COPD Foundation
Easter Seals
Epilepsy Foundation of America
GBS/CIDP Foundation International
Global Healthy Living Foundation
HealthHIV
Huntington's Disease Society of America
Hydrocephalus Association
Immune Deficiency Foundation
Intercultural Cancer Council
Intercultural Cancer Council Caucus
International Myeloma Foundation
The LAM Foundation
Leukemia and Lymphoma Society
Lifelong
LIVESTRONG Foundation
Lung Cancer Alliance
Lupus Foundation of America
March of Dimes
The Marfan Foundation
Myasthenia Gravis Foundation of America
National Alliance for Caregiving
National Alliance on Mental Illness
National Alopecia Areata Foundation
National Association of County and City Health Officials
National Down Syndrome Society
National Eczema Association
National Grange
National Health Council
National Lung Cancer Partnership
National Minority Quality Forum
National Multiple Sclerosis Society
National Osteoporosis Foundation
National Psoriasis Foundation
National Stroke Association
Okaloosa AIDS Support and Informational Services, Inc.
Osteogenesis Imperfecta Foundation
Ovarian Cancer National Alliance
OWL-The Voice of Midlife and Older Women
Parkinson's Action Network
Patient Services Inc
Pennsylvania Prostate Cancer Coalition
PKD Foundation

Prevent Blindness America
Prevent Cancer Foundation
Project ReDirect DC
Pulmonary Hypertension Association
San Francisco AIDS Foundation
Scleroderma Foundation
Small Business & Entrepreneurship Council
Society for Public Health Education
Society for Women's Health Research
Spina Bifida Association
US Pain Foundation
Veterans Health Council
Vietnam Veterans of America
WomenHeart: The National Coalition for Women with Heart Disease
Women Impacting Public Policy