

If we are carving out RX, what would the \$250 pmpm have to be just for the med care
cluding RX ?
MIKE

-----Original Message-----

From: Steve Schramm [mailto:steve.schramm@schrammraleigh.com]
Sent: Mon 10/1/2007 7:19 PM
To: Starkowski, Michael P.; Parrella, David S.; Voghel, Lee; Schaefer, Mark C.
Subject: Final DRAFT of CTCO Plan Design

Ok,

Took out the HOAs and shuffled the deductibles and out-of-pocket max's to replace, smoothed out the Urgent Care co-pay, and clarified that there are limits (either dollars/days/visits) on things like MH/SA, DME and drugs. Point to having limits on those kinds of services is to avoid selection issues associated with the chronic users of those services. Both Maine and Massachusetts, without such limits, are experiencing selection issues. This is viewed as a disincentive approach or negative plan design to avoid bad risk. On the positive side, you will notice the fairly low deductibles and out-of-pocket max's, which is an incentive approach or positive plan design to encourage good risk. We are trying to match the plan design in your March 9th legislative; as noted above, the one piece that stretches that is the lower deductibles - you had used a \$1,000 deductible across the board - we've talked about stair-stepping that and so we only get to \$1,000 deductible for families above 235% FPL (all others are lower).

Throughout this, we continue to fine-tune our rate setting model and we are definitely coming up against the \$250 per month total cost target, so we are going to need to be finding ways to limit risk through benefits, reimbursement, policies, etc.

FYI - I have cut the number of FPL subsidy breakouts from 5 to 4 by combining the 0-150% and 151-185% into a single 0-185%. Also, highlighted HUSKY B premiums are more for reference, they have not been checked against actual premiums.

Steve

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