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How Deductible Exclusions in Marketplace Plans Improve Access to Many Health Care Services

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Abstract Only by knowing which health care services are excluded from their insurance plan's deductible can consumers take full advantage of their coverage and ensure timely access to needed care. This is particularly important for people with higher incomes who do not qualify for the Affordable Care Act's cost-sharing reductions and individuals who do not use a lot of health care services and are therefore unlikely to reach their annual deductible. This analysis of silver-tier plans offered in the largest markets in states using HealthCare.gov for marketplace enrollment finds that 30 of 37 plans exclude primary care visits, as well as generic drugs, from the deductible. In 24 of these plans, specialist visits and prescriptions for preferred brand-name drugs are excluded as well. The number of excluded services varies considerably by market.

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BACKGROUND

When evaluating a health insurance plan for the cost protections it provides, consumers must look beyond the size of the deductible to determine how much they can expect to pay out-of-pocket for health care services. For example, the Affordable Care Act requires all health plans, including those provided by employers, to fully cover preventive services like cholesterol screenings and mammograms. That means when someone goes to the doctor for one of these screenings, he or she is not required to first meet a deductible before the coverage kicks in.

Often other services, such as doctor visits or prescription drugs, are excluded from deductible requirements as well. For these services, patients must pay any required copayments or coinsurance but not the full cost of the service, even if they have not yet reached their deductible. To take full advantage of a health plan's coverage, it is essential to know which services are omitted from the deductible.

In this Commonwealth Fund brief, a companion to *How Will the Affordable Care Act's Cost-Sharing Reductions Affect Consumers' Out-of-Pocket*

Costs in 2016?, we explore how deductible exclusions vary across health plans sold in the marketplaces in states using the federal HealthCare.gov website for 2016 enrollment. We look at the 22 adult services that are listed on HealthCare.gov's website, excluding dental services. We focus on a hypothetical 40-year-old, nonsmoking man who earns $35,000 a year and chooses the second-lowest-cost silver plan in each of these states' largest city.[1] We limit our analysis to the 37 markets whose silver plans have a deductible for people at this income level.

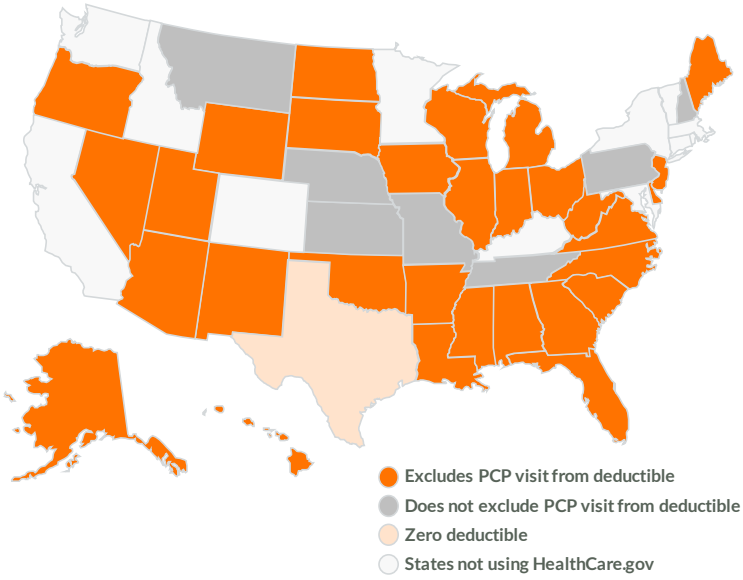
HOW MUCH DO DEDUCTIBLE EXCLUSIONS VARY FROM MARKET TO MARKET?

The results of our analysis show that 30 of 37 silver-tier plans exclude primary care visits, as well as generic drugs, from the plan's deductible (Exhibit 1, Table 1). In 24 plans, specialist visits and prescriptions for preferred brand-name drugs (those included on the plan's formulary) are excluded as well. Twenty-three plans exclude mental or behavioral health outpatient visits, 16 exclude chiropractor visits, and nine exclude specialty drugs.

The number of excluded services varies considerably by market. In the markets we analyzed in New Mexico, Hawaii, Ohio, Nevada, South Dakota, and North Carolina, second-lowest-cost silver plans exclude 10 or more services. In 17 markets, silver plans exclude six to nine services; in nine markets, plans excluded two to four services. Silver plans in the largest markets in Montana, Kansas, Nebraska, Missouri, and Pennsylvania do not exclude any services.

Exhibit 1

In 30 of 37 Silver Plans, Primary Care Physician Visits Are Excluded from the Deductible



Other services excluded from plan deductibles	Number of states
Generic drugs	30
Specialist visit	24
Preferred drugs	24
Mental/behavioral health—outpatient	23
Chiropractic care	16
Nonpreferred drugs	12
ER visit	11
Outpatient rehabilitation	9
Specialty drugs	9
Habilitation	7
Lab outpatient & professional services	7
X-ray & diagnostic imaging	5
Acupuncture	3
Hearing aids	3
Private duty nursing	2
Infertility treatment	2
Mental/behavioral health—inpatient	1
Inpatient physician & surgical	1
Inpatient hospital	1

Notes: PCP = primary care physician. Second-lowest-cost silver plans for 2016 plans with positive deductibles; 40-year old male nonsmoker; largest city in state. Deductible exclusions are based on an adult with an annual income of $35,000. Analysis does not include Houston, Texas, which has a plan with a zero-dollar deductible.

Source: HealthCare.gov.

While patients do not have to meet a deductible for a service that's excluded, most plans require a copayment or coinsurance. Differences in the amount of these charges will, of course, affect patients' overall out-of-pocket costs. For example, someone earning $35,000 who is enrolled in the silver plans we analyzed in Newark, New Jersey, and Oklahoma City, Oklahoma, would have free generic drugs (Appendix Table 5). But in the Houston, Texas, plan, that person would face a $35 generic copayment.

CONCLUSION

By understanding which health care services are excluded from the plan deductible, consumers can ensure they are taking maximum advantage of their coverage and have timely access to needed care. This is particularly important for people with higher incomes who do not qualify for cost-sharing reductions and may have higher deductibles, as well as for individuals who do not use a lot of health care services and are therefore unlikely to reach their annual deductible.

California, which runs its own marketplace (and so was not included in this analysis), requires health plans to exclude all physician visits and outpatient services from the deductible for all silver, gold, and platinum plans.[2] The federal government also is striving to make it easier for consumers to understand their health plans. In its new rule for health plans offered in the 2017 federal marketplaces, the Department of Health and Human Services gives insurers the option to offer standard health plans with fixed deductibles and other cost-sharing. These standard plans also exclude eight services from the deductible at the silver and gold level, including primary and specialty care visits, urgent care visits, mental health and substance-use disorder outpatient visits, and all prescription drugs.[3] Consistency in plan design will simplify plan choice for consumers and also create greater certainty about the cost of services when they use their plans to get care.

Notes

1 Someone earning $35,000 would not be eligible for cost-sharing reductions.

2 E. S. Fisher and P. V. Lee, "Toward Lower Costs and Better Care—Averting a Collision Between Consumer and Provider-Focused Reforms," *New England Journal of Medicine,* March 10, 2016 374(10):903–6; and J. C. Robinson, P. Lee, and Z. Goldman, "Whither Health Insurance Exchanges Under the Affordable Care Act? Active Purchasing Versus Passive Marketplaces," *Health Affairs Blog,* Oct. 2, 2015.

3 Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2017; Final Rule, *Federal Register,* March, 8, 2016 81(45):12204–352.

Table 1. Services Excluded from a Plan's Deductible, Second-Lowest-Cost Silver Plan in HealthCare.gov States, 40-Year-Old Male Nonsmoker, Largest City in Each State, 2016

State	Total number of services excluded from deductible in each state	Generic drugs	Primary care visit	Specialist visit	Preferred drugs	Mental/ behaviorial health outpatient	Chiro-practic care	Non-preferred drugs	ER visit	Out-patient rehabil-itation	Specialty drugs	Habili-tation	Lab outpatient and professional services	X-ray and diagnostic imaging	Acupunc-ture	Hearing aids	Private duty nursing	Infertility treatment	Mental/ behaviorial health inpatient	Inpatient physician and surgical	Inpatient hospital
New Mexico	14	*	*	*	*	*	*	*	*	*		*	*	*	*					*	
Hawaii	13	*	*	*	*	*		*		*	*	*	*	*		*		*			
Ohio	12	*	*	*	*	*	*		*	*		*	*	*			*				
Nevada	12	*	*	*		*	*		*	*			*	*		*	*	*			
South Dakota	10	*	*	*	*	*	*	*		*	*	*									
North Carolina	10	*	*	*	*	*	*	*		*	*	*									
Alaska	9	*	*	*	*	*	*						*	*	*						
Oklahoma	9	*	*	*	*	*		*	*										*		*
Arkansas	9	*	*		*	*	*	*		*		*				*					
West Virginia	8	*	*	*	*	*		*	*		*										
Oregon	8	*	*	*	*	*	*			*					*						
Michigan	7	*	*	*	*	*			*				*								
Delaware	7	*	*		*			*	*		*		*								
Utah	7	*	*	*	*			*	*		*										
Alabama	7	*	*	*	*			*	*		*										
Louisiana	7		*	*		*	*		*	*		*									
Georgia	6	*	*	*	*	*	*														
Wisconsin	6	*	*	*	*	*	*														
Illinois	6	*	*	*	*	*	*														
Florida	6	*	*	*	*	*	*														
Indiana	6	*	*	*	*	*	*														
South Carolina	6	*	*	*	*			*	*												
Mississippi	6	*	*	*	*	*	*														
Tennessee	4	*			*			*			*										
North Dakota	4	*	*	*			*														
Iowa	4	*	*	*		*															
Wyoming	3	*	*								*										
Arizona	3	*	*			*															
Maine	3	*	*		*																
Virginia	3		*	*		*															
New Jersey	3	*	*			*															
New Hampshire	2	*			*																
Montana	0																				
Kansas	0																				
Nebraska	0																				
Missouri	0																				
Pennsylvania	0																				
Total number of states with service excluded from deductible		**30**	**30**	**24**	**24**	**23**	**16**	**12**	**11**	**9**	**9**	**7**	**7**	**5**	**3**	**3**	**2**	**2**	**1**	**1**	**1**

Notes: Data are for the second-lowest-cost silver plan in 2016 plans for a 40-year old male nonsmoker in the largest city in each of the 38 states that use HealthCare.gov as its enrollment platform for the 2016 open enrollment season. We analyze plans that have positive deductibles for a total of 37 states; Texas has a zero deductible for all income levels and is therefore excluded from the analysis. No plans exclude skilling nursing and bariatric surgery from their deductibles, although these two services are part of the 22 services we analyzed.
* Indicates that state excludes the service from the deductible.
Source: HealthCare.gov.

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