

State Health Insurance Marketplace Plans: New Opportunities to Help Smokers Quit



Evidence suggests that smoking rates may be high among people enrolled in state marketplace plans:

Individuals eligible for marketplace plan subsidies are likely to have a higher smoking rate than those with higher incomes.

- In 2012, 22.4 percent of Americans earning between 100 to 400 percent of the Federal Poverty Level (FPL) smoked, compared to 12.8 percent of those earning more than 400 percent of the FPL.¹

In 2012, smoking rates were also higher among the uninsured. The majority of marketplace enrollees in 2014 were previously uninsured.²

- In 2012, 30.0 percent of Americans who were uninsured were current smokers, compared to 17.8 percent of similarly aged people with insurance coverage.³

Introduction

Millions of Americans are now enrolled in health insurance purchased through marketplaces created by the Affordable Care Act (ACA). These marketplaces, 14 of which are state-run marketplaces and 37 of which are federally-facilitated marketplaces,¹ primarily offer subsidized health coverage to people with lower incomes and who may have previously been uninsured and lacked access to quality healthcare.²

This newly insured population presents an opportunity to connect tobacco users with treatments that are proven to help them quit. Tobacco use is the number one preventable cause of disease and death in the United States, and is responsible for almost 500,000 deaths each year. Another 16 million people are living with a tobacco related disease.⁵ It costs over \$289 billion annually in smoking-related healthcare expenses and lost productivity.⁶ Helping smokers quit smoking will save lives and money.

This report finds that the coverage provided through state health insurance marketplaces is failing to give smokers all the help they need to quit, including access to all seven FDA-approved tobacco cessation medications required by federal guidance.

Seven FDA-Approved Tobacco Cessation Medications:

Nicotine Patch
Nicotine Gum
Nicotine Lozenge
Nicotine Nasal Spray
Nicotine Inhaler
Bupropion
Varenicline

All Marketplace Plans Must Cover Tobacco Cessation Treatments

The ACA requires health insurance plans purchased through marketplaces to cover Essential Health Benefits, which include all preventive services given an 'A' or 'B' rating by the U.S. Preventive Services Task Force (USPSTF). The USPSTF, an independent panel of experts in prevention- and evidence-based medicine, has given tobacco cessation interventions for adults an 'A' grade. This makes coverage of tobacco cessation treatments required for all marketplace plans—regardless of whether the federal or state government runs the marketplace.

On May 2, 2014, the U.S. Departments of Health and Human Services, Labor and Treasury issued a Frequently Asked Questions (FAQ) guidance document translating the USPSTF recommendation into insurance coverage policy. The guidance stated: “The Departments will consider a group health plan or health insurance issuer to be in compliance with the requirement to cover tobacco use counseling and interventions, if, for example, the plan or issuer covers without cost-sharing:

1. Screening for tobacco use; and,
2. For those who use tobacco products, at least two tobacco cessation attempts per year. For this purpose, covering a cessation attempt includes coverage for:
 - Four tobacco cessation counseling sessions of at least 10 minutes each (including telephone counseling, group counseling and individual counseling) without prior authorization; and
 - All Food and Drug Administration (FDA)-approved tobacco cessation medications (including both prescription and over-the-counter medications) for a 90-day treatment regimen when prescribed by a healthcare provider without prior authorization.

This guidance is based on the Public Health Service-sponsored [Clinical Practice Guideline, Treating Tobacco Use and Dependence: 2008 Update](#).⁷⁷ The guidance was applied to plans immediately.

Purpose of this Report

This report examines state implementation of tobacco cessation requirements in the ACA, specifically whether issuers of state marketplace plans are providing coverage of all seven FDA-approved tobacco cessation medications as required by the Formularies for every issuer of marketplace plans in each state and Washington, D.C. Formularies were reviewed using publically available links to see which tobacco cessation medications were listed. Information from the formularies about cost-sharing and prior authorization was also collected, as these policies are prohibited in the guidance. Additionally, it was noted whether there was a direct link to each formulary provided on the marketplace website in order to capture how easily consumers shopping for plans could find this information.

The American Lung Association is currently unable to track coverage of tobacco cessation counseling in these plans because public links are not available to documents that would note this coverage.

Federally-Facilitated

Marketplaces: These marketplaces are state-based, and state-specific requirements and policies (like Essential Health Benefit requirements) still apply; the federal government is facilitating the marketplace. Consumers shop for plans and apply for coverage through Healthcare.gov. For the purposes of this report, plans in this category include federally-supported state-based marketplaces and state-partnership marketplaces because consumers use Healthcare.gov to purchase coverage in these states.

State-Run Marketplaces:

The individual states perform all marketplace functions. Consumers shop for plans and apply for coverage through marketplace sites that the states have created.

In this report, plans identified as “marketplace plans” or “state marketplace plans” include plans sold in both types of marketplaces listed above, unless otherwise specified.

Formulary: A list of medications a health insurance plan covers. Sometimes called a “drug list,” “preferred drug list” or “PDL.”

Results

Based on the formulary information found in publicly available documents, coverage in the vast majority of state marketplace plans is not consistent with federal requirements in terms of covering all seven tobacco cessation medications. Compliance was marginally higher in state-run marketplaces than in federally-facilitated marketplaces:

- Only 60 plan issuers (17.2 percent) indicated full compliance with the tobacco cessation guidance, meaning all seven FDA-approved tobacco cessation medications were listed on the formulary with no prior authorization or cost-sharing indicated.
- Overall, 41.4 percent of the issuers selling marketplace plans listed all seven tobacco cessation medications as covered on formularies.
- Of the 252 issuers selling plans in federally-facilitated marketplaces, 101 (40.1 percent) listed all seven tobacco cessation medications as covered on formularies.
- Of the 96 issuers selling plans in state-run marketplaces, 43 (44.8 percent) listed all seven tobacco cessation medications as covered on formularies.

Tobacco cessation treatments are required by the ACA to be covered without cost-sharing, however the vast majority of plan issuers did not indicate tobacco cessation medications were provided at no cost on their formularies. In many cases, tobacco cessation medications were listed on formularies organized by tiers, implying, at least to the patient who is unaware of this requirement, that cost-sharing is charged. If these plans have removed cost-sharing in some other way, but are not indicating it on their plan documents, then patients are not getting accurate information about the plans' formularies.

- Overall, 63 issuers (18.1 percent) listed all seven tobacco cessation medications and indicated that none of them had cost-sharing.
- In federally-facilitated marketplaces, 44 issuers (17.5 percent) indicated that they cover all seven tobacco cessation medications without cost-sharing.
- In state-run marketplaces, 19 issuers (19.8 percent) indicated that they cover all seven tobacco cessation medications without cost-sharing.

Compliance with tobacco cessation requirements varies by state.

- West Virginia is the only state with all marketplace plans (there is only one plan in the state) that included the seven tobacco cessation medications on their formularies.
- In 21 states, at least half of issuers listed all seven tobacco cessation medications on their formularies.
- In 18 states, less than one-third of issuers listed all seven tobacco cessation medications on their formularies.
- In five states, Arkansas, Hawaii, Mississippi, South Dakota and Vermont, no plan issuers listed all tobacco cessation medications on their formularies.

The guidance specifies plans should not require prior authorization for tobacco cessation treatments. Most issuers appeared to be complying with this part of the guidance.

- Overall, only 10.1 percent of issuers required prior authorization for any or all of the tobacco cessation medications that they included on their

formularies.

- Nicotine inhalers, nicotine nasal spray, and varenicline were the medications that most commonly required prior authorization.

In both types of marketplaces, tobacco cessation medications requiring a prescription were listed on formularies more frequently than over-the-counter medications.

- Bupropion and varenicline are the most commonly listed medications on formularies. 344 issuers (98.9 percent) list bupropion and 299 (85.9 percent) list varenicline on their formularies.
- Nicotine nasal spray and nicotine inhalers are the next most commonly listed medications. 244 issuers (70.1 percent) list nicotine nasal spray and 253 issuers (72.7 percent) list nicotine inhalers.
- The over-the-counter tobacco cessation medications (nicotine gum, patch and lozenge) were listed on formularies least often. Of issuers, 196 (56.3 percent) listed nicotine gum, 211 issuers (60.6 percent) listed nicotine patches and 191 issuers (54.9 percent) listed nicotine lozenges.

A majority of issuers provide a direct, public link to their formulary for consumers shopping for health insurance, but not all of them do. Consumers are more likely to find public links to formularies in states with federally-facilitated marketplaces than state-run marketplaces.

- In federally-facilitated marketplaces, 82.5 percent of issuers provided direct links to their formularies through the [Healthcare.gov](https://www.healthcare.gov) website. Plans are supposed to provide these links to the Department of Health and Human Services (HHS), and the requirements for this are supposed to become stricter in coming plan years.
- In state-run marketplaces, only 57.3 percent of issuers provided direct links to their formularies through the state marketplace website.
 - All of the issuers in the marketplace websites in Connecticut and Idaho provided direct links to their formularies through their state marketplace websites.
 - The marketplace websites in Colorado, Kentucky, Massachusetts, Maryland, New York, Rhode Island and Vermont did provide links, but some issuers either did not submit a link or linked to more general plan information instead of the formulary.
 - The marketplace websites in California, District of Columbia, Hawaii, Minnesota and Washington did not provide any links to formularies for consumers shopping for insurance on their site.

Methodology

Data in this report and its associated [appendix](#) were collected between January 15 and February 11, 2015. Many plans and plan issuers change the information on their formularies throughout the year. These data are intended to reflect a “snapshot” in time of marketplace plans’ drug coverage during the 2015 plan year open enrollment period. Note that any possible changes to formularies made after February 11, 2015 are not reflected in this report.

The data collection method differed between federally-facilitated marketplaces and state-run marketplaces. Lists of issuers, plans and formulary links for federally-facilitated marketplaces and the three federally-supported state-based marketplaces were downloaded from [Healthcare.gov](#) on January 15, 2015 and January 26, 2015, respectively.⁸ This is the same information available to consumers searching for plans through the [Healthcare.gov](#) portal. The links to formularies provided were used to gather these data. If the link provided was broken or directed only to a general issuer site, the issuer was recorded as not providing a direct link to the formulary, and the issuer’s website was searched for the most current formulary available for marketplace plans, and the data found was used in the report.

For state-run marketplaces, the marketplace website was searched for public links to formularies, and used to record data when available. When public links were not available through the state-run marketplace website, these issuers were recorded as not providing public links, and researchers then searched issuer websites for the most current formulary available for marketplace plans.

In many cases, plan issuers sold multiple plan products in the same marketplace, with different names and different levels (platinum, gold, silver, bronze). A preliminary analysis determined that medications listed on the formulary did not differ between issuer products—only tiering structure and cost-sharing levels differed. Therefore, data in this report was collected at the plan issuer level.

Medications were considered to be included on the formulary if they were listed in the formulary document, regardless of any limitations or tier assigned to them. Medications were considered to be covered with no cost-sharing if the formulary specifically indicated no cost-sharing or contained a link to a document that had a list of preventive medications with no cost-sharing that included the medication. If different versions of the medication (generic versus brand name) had different restrictions or pricing, the least restrictive and cheapest were used in the analysis. Bupropion, the generic name for a medication that is used to treat depression under the brand name Wellbutrin, and used for tobacco cessation under the brand name Zyban, was recorded as covered if it was listed as bupropion or Zyban on the formulary.

This analysis contains several potential weaknesses:

- The FAQ guidance states that tobacco cessation counseling must also be covered by insurance plans as preventive care. Information about covered counseling is not available on formularies, and researchers were not able to universally access the documents needed to record coverage of counseling for all marketplace plans. Therefore, this analysis does not include coverage of this critical component of a comprehensive tobacco cessation benefit. This demonstrates the need for HHS and state marketplaces to require plans and issuers to be more transparent about coverage information and with important plan documents.

- Most issuers note that their formularies change throughout the year. Since this analysis took place during a specific time period, it does not capture any changes to issuer formularies after February 11, 2015.
- This analysis only takes into account information found on publically available formularies. In some cases, there may be other documents or policies associated with plans that give more detail or clarification about coverage of tobacco cessation treatments—for instance, treatments that are provided with no cost-sharing. The data in this report is *only* intended to indicate information found on the formulary, and information on cost-sharing or medications coverage in formularies may in fact differ from the actual patient experience. However, the process used to collect data in this report mirrors what consumers experience when shopping for coverage and making purchasing decisions, which is why the Lung Association used this analysis model.

Conclusions

Based on the information in publicly accessible formularies, the vast majority of state marketplace plan issuers' implementation of tobacco cessation coverage is not consistent with the requirements under the ACA and the provisions of the May 2014 guidance. Fewer than half of the issuers of marketplace plans list all seven tobacco cessation medications as covered and even fewer indicate that these medications are available with no cost-sharing, which is a provision of the ACA.

Furthermore, this analysis shows the critical need for more transparency in the marketplace websites and plan issuer formularies and materials. Consumers need easy access to formularies in order to make informed decisions about which health plan will best meet their needs. Access to additional plan policy documents prior to enrollment, such as member handbooks, and evidence of coverage documents is also crucial to determine which non-pharmacological treatments are covered, like tobacco cessation counseling.

Coverage of Tobacco Cessation Medications in State Health Insurance Marketplaces

State	Total Number of Issuers	Number of Issuers Covering:							In Full Compliance with Guidance*
		Nicotine Gum	Nicotine Patch	Nicotine Lozenge	Nicotine Nasal Spray	Nicotine Inhaler	Bupropion	Varenicline	
Alabama	3	1	1	1	2	2	3	2	0
Alaska	2	1	1	1	1	1	1	1	0
Arizona	13	10	10	10	11	11	13	12	1
Arkansas	4	2	2	2	0	1	4	4	0
California	10	9	8	8	7	7	10	8	6
Colorado	10	4	4	4	4	4	10	5	1
Connecticut	4	1	1	1	1	1	4	2	1
District of Columbia	4	1	2	1	2	3	3	2	1
Delaware	3	1	3	1	3	3	3	3	0
Florida	14	7	8	5	9	10	14	13	2
Georgia	9	4	4	4	5	6	9	8	1
Hawaii	2	2	2	0	1	2	2	2	0
Idaho	5	2	3	2	5	5	5	5	0
Illinois	10	4	5	4	8	8	10	9	1
Indiana	9	5	4	5	4	4	9	7	0
Iowa	4	2	3	2	4	3	4	4	0
Kansas	5	3	5	3	5	4	5	5	0
Kentucky	5	1	1	1	4	3	5	5	0
Louisiana	6	3	3	3	5	5	6	5	3
Maine	3	1	1	1	2	2	3	3	1
Maryland	7	4	4	4	4	5	7	4	3
Massachusetts	11	5	5	5	7	8	11	10	0
Michigan	16	12	11	12	12	13	16	14	4
Minnesota	5	4	4	4	5	5	5	5	3
Mississippi	3	1	1	1	1	1	3	2	0
Missouri	7	2	4	2	5	4	7	6	0
Montana	4	3	3	3	4	4	4	4	0
Nebraska	4	3	3	3	4	4	4	4	0
Nevada	5	3	2	3	3	3	5	4	2
New Hampshire	5	3	2	3	4	4	5	5	1

continued

Updated

*Full compliance with the guidance is defined as: all seven FDA-approved tobacco cessation medications were listed on the formulary with no prior authorization indicated and no cost-sharing specifically indicated.

Blue indicates that the state has a federally-facilitated marketplace, as defined on page 2 of this report.

Orange indicates that the state has a state-run marketplace, as defined on page 2 of this report.

For more information and details of coverage for individual plan issuers, please download the Appendix (PDF), available at [Lung.org/assets/documents/publications/other-reports/state-health-insurance-report-appendix.pdf](https://lung.org/assets/documents/publications/other-reports/state-health-insurance-report-appendix.pdf)

State	Total Number of Issuers	Number of Issuers Covering:							In Full Compliance with Guidance*
		Nicotine Gum	Nicotine Patch	Nicotine Lozenge	Nicotine Nasal Spray	Nicotine Inhaler	Bupropion	Varenicline	
New Jersey	6	2	4	2	5	5	6	5	0
New Mexico	5	4	4	4	5	4	5	5	2
New York	18	13	13	13	11	15	18	16	2
North Carolina	3	1	2	1	2	2	3	2	0
North Dakota	3	2	2	2	2	2	3	2	1
Ohio	16	6	6	6	8	9	16	13	1
Oklahoma	4	4	3	4	4	4	4	4	0
Oregon	10	5	5	5	7	7	9	9	2
Pennsylvania	15	10	12	10	12	12	15	14	4
Rhode Island	3	1	1	1	1	1	3	1	0
South Carolina	5	4	4	4	5	5	5	5	1
South Dakota	3	1	1	1	1	0	3	1	0
Tennessee	5	3	3	3	4	5	5	5	1
Texas	15	10	10	10	11	11	15	13	3
Utah	6	2	4	2	6	6	6	6	1
Vermont	2	0	0	0	0	1	2	2	0
Virginia	9	4	7	4	7	8	9	8	2
Washington	10	7	7	7	7	6	9	9	2
West Virginia	1	1	1	1	1	1	1	1	0
Wisconsin	15	11	11	11	11	11	15	13	7
Wyoming	2	1	1	1	2	2	2	2	0

Updated

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Orange indicates that the state has a state-run marketplace, as defined on page 2 of this report.

For more information and details of coverage for individual plan issuers, please download the Appendix (PDF), available at Lung.org/assets/documents/publications/other-reports/state-health-insurance-report-appendix.pdf

Notes:

1. For the purposes of this report, all marketplaces that use Healthcare.gov for enrollment are considered to be federally-facilitated marketplaces, including federally-supported state-based marketplaces and state-partnership marketplaces.
2. Kaiser Family Foundation. "State Health Insurance Marketplace Types, 2015." Available at: <http://kff.org/health-reform/state-indicator/state-health-insurance-marketplace-types/>
3. Centers for Disease Control and Prevention. National Center for Health Statistics. National Health Interview Survey, 2012. Analysis by the American Lung Association, Research and Program Services Division.
4. Hamel, Liz et al. "Survey of Non-Group Health Insurance Enrollees." July 19, 2014. Available at: <http://kff.org/private-insurance/report/survey-of-non-group-health-insurance-enrollees/>
5. Centers for Disease Control and Prevention. "2014 Surgeon General's Report: The Health Consequences of Smoking—50 Years of Progress." 2014. Available at: http://www.cdc.gov/tobacco/data_statistics/sgr/50th-anniversary/index.htm
6. Centers for Disease Control and Prevention. "2014 Surgeon General's Report: The Health Consequences of Smoking—50 Years of Progress." 2014. Available at: http://www.cdc.gov/tobacco/data_statistics/sgr/50th-anniversary/index.htm
7. U.S. Departments of Labor, Health and Human Services and Treasury. FAQs about Affordable Care Act Implementation (XIX). Question 5. Available at: <http://www.dol.gov/ebsa/faqs/faq-aca19.html>
8. Healthcare.gov. 2015 Health Plan Information for Individuals and Families. Available at: <https://www.healthcare.gov/health-plan-information-2015/>