

ESSENTIAL HEALTH BENEFITS

Presented to the Health System Reform Task Force
By the Office of Legislative Research and General Counsel
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Today's Objectives

- ❖ What we know about EHB
- ❖ What HHS intends to propose
- ❖ Task Force's role
- ❖ Input to HHS
- ❖ Discussion of three potential benchmarks

What We Know

- ❖ Secretary defines EHB
- ❖ Scope of benefits = “typical” employer plan
- ❖ Must include 10 categories
- ❖ Applies to:
 - Individual in/out
 - Small employer group in/out
 - Medicaid expansion
- ❖ Doesn't apply to:
 - Large group
 - Self-insured
 - Grandfathered

10 Categories

- ❖ Ambulatory patient services
- ❖ Emergency services
- ❖ Hospitalization
- ❖ Maternity and newborn care
- ❖ Mental health and substance use disorder services, including behavioral health treatment
- ❖ Prescription drugs
- ❖ Rehabilitative and habilitative services and devices
- ❖ Laboratory services
- ❖ Preventive and wellness services and chronic disease management
- ❖ Pediatric services, including oral and vision care

What We Know

- ❖ No rules have been issued yet (or even proposed)!
- ❖ HHS is seeking input on a number of issues

What HHS Intends to Propose

- ❖ State chooses benchmark plan as EHB
 - the largest plan by enrollment in any of the three largest small group insurance products in the state's small group market;
 - any of the largest three state employee health benefit plans by enrollment;
 - any of the largest three national FEHBP plan options by enrollment; or
 - the largest insured commercial non-Medicaid Health Maintenance Organization (HMO) operating in the state

Benchmark Options

❖ Three largest FEHBP plans

Issuer Name	Plan Name	Network Type	2012 Plan Benefit Brochure
Blue Cross Blue Shield	Standard Option	PPO	http://www.opm.gov/insure/health/planinfo/2012/brochures/71-005.pdf
Blue Cross Blue Shield	Basic Option	PPO	http://www.opm.gov/insure/health/planinfo/2012/brochures/71-005.pdf
Government Employees Health Association (GEHA)	Standard Option	PPO	http://www.opm.gov/insure/health/planinfo/2012/brochures/71-006.pdf

❖ Seven other options (to be identified)

Benchmark Options

- ❖ Benchmark becomes a “reference plan”, reflecting:
 - Scope of service
 - Limits
- ❖ Variation allowed within parameters
- ❖ State must supplement benchmark if category not covered by benchmark
- ❖ State pays for federal exchange subsidies attributable to state mandates not included in benchmark (mandates must be in effect by 12/31/11)

(Note: no annual/lifetime dollar limits on EHB in 2014)

Variation Allowed

- ❖ Substitutions within category
- ❖ Substitutions across categories
- ❖ Substitutions must be actuarially equivalent:
 - As defined by CHIP
 - Can include non-dollar limits equivalent to dollar limits
- ❖ Pharmaceuticals: offer at least one drug in each category or class in the benchmark; formularies may vary

(Note: no annual/lifetime dollar limits on EHB in 2014)

Timing

- ❖ Benchmark based on 1st Qtr. enrollment, two years prior
- ❖ Benchmark selected 3rd Qtr., two years prior (fall 2012 for 1/1/14)
- ❖ Benchmark applies to 2014, 2015
- ❖ HHS will evaluate approach for 2016

Task Force's Role

- ❖ “...after considering public testimony...recommend to the [insurance] commissioner, no later than September 1, 2012, a benchmark plan for the state's essential health benefits”

Commissioner's Role

- ❖ “...based on the recommendation of the task force... and within 30 days of the... recommendation...adopt an emergency administrative rule that designates the essential health benefits....”

(EHB may “not include a state mandate if the inclusion of the state mandate would require the state to contribute to premium subsidies under the Affordable Care Act”

Potential Input to HHS

- ❖ How to address habilitative services, pediatric vision, and pediatric dental
- ❖ How to update EHBs (affordability, access, medical evidence, market)
- ❖ Impact on Utah market
- ❖ Other

Three Potential Benchmarks

- ❖ Discussion of Public Employees Health Program plans