

Joint Health Care Reform
Oversight Committee
Essential Health Benefits Overview

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Essential Health Benefits Overview

- Patient Protection and Affordable Care Act (PPACA) authorizes the Secretary of Health and Human Services (HHS) to define “Essential Health Benefits” (EHB)
- All insurance plans sold in the **Individual & Small Group** market starting January 1, 2014 must meet EHB coverage criteria
 - Self-insured and large group policies are exempt from EHB
 - Health insurance plans that do not meet EHB coverage criteria are not considered adequate health insurance coverage
 - Owners of inadequate health insurance plans will be subject to a penalty

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- PPACA requires EHBs to cover a level of preventive, diagnostic and therapeutic services defined as “essential”
- PPACA requires EHBs to include **10 categories** of services
 1. Ambulatory patient services
 2. Emergency services
 3. Hospitalization
 4. Maternity and newborn care
 5. Mental health and substance use disorder services, including behavioral health treatment
 6. Prescription drugs
 7. Rehabilitative and habilitative services and devices
 8. Laboratory services
 9. Preventive and wellness services and chronic disease management
 10. Pediatric services, including oral and vision care

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- **December 16, 2011 HHS Bulletin** on EHBs
 - Proposed that EHB be defined using a **benchmark** approach...scope of services offered by a “typical employer plan”
 - Intent to give the State the **flexibility** to select a plan that would best meet the needs of their citizens
- **States would choose** one of the following benchmark health insurance plans based on plans in force as of 1/1/12:
 - One of the three largest **small group** plans in the State by enrollment
 - One of the three largest **State employee** health plans by enrollment
 - One of the three largest **federal** employee health plan options by enrollment
 - The **largest** (by enrollment) insured **commercial** non-Medicaid **HMO** plan operating in the State

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- The benefits and services included in the benchmark health plan selected by the State become the EHB package
- EHBs address only the **services covered, not** the amount of **cost sharing** (Copays, Deductible, Coinsurance, etc.)
- Benchmarks based on **plans in effect** as of 1/1/12 - any later changes to State mandates will not be part of EHB
- States must choose a benchmark by the end of the third quarter of 2012.
- If a State chooses **not** to select a benchmark, a specific **default** benchmark will be “selected” by HHS
 - Largest insured commercial non-Medicaid plan offered in NH

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Potential New Hampshire Benchmark Plans based on 4th Q 2011 enrollment

- Three largest **Federal Employee** Plans Health Benefits Program (FEHBP)
 - Government Employees Health Association (GEHA)
 - Blue Cross Blue Shield Basic (BCBS Basic)
 - Blue Cross Blue Shield Standard (BCBS Standard)
- Three largest NH **State Employee** Plans (only 2 plans offered)
 - HMO Blue New England (HMO plan for State of NH employees)
 - Blue Choice New England (POS plan for State of NH employees)
- Three largest NH **Small Group** Plans
 - HMO Blue New England
 - Matthew Thornton Blue
 - Access Blue New England
- Largest insured commercial non-Medicaid HMO Plan
 - HMO Blue New England (HMO Blue New England for Small Group Plans)

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Relationship between EHB and State-Mandated Benefits

- Section 1401 of the ACA
 - Federal premium subsidies are only applied to the portion of the premium cost attributable to the EHB package
 - Benefits beyond the EHB must be subsidized by the State
 - If NH choose any of the 3 Small Group benchmark plans, all of the NH mandates would be included in the EHB package, thus eliminating any non-Federally subsidized benefits
 - In the process of evaluating FEHBP to determine if they cover NH mandates

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Services Covered by the Potential NH Benchmark Plans

- All of the potential NH benchmark plans are comprehensive covering the usual facility and professional services as well as prescription drugs
 - Assisted Reproductive Technology (e.g., in-vitro fertilization), Acupuncture, Hearings aids are example of services excluded from some plans, but not others
 - “Inside limits” number of days or visit limits also vary by potential NH benchmark Plans, for example:
 - Physical Therapy, Occupational Therapy, Speech, Skilled Nursing Facility
- Small Group benchmark plans
 - All three plans cover all NH Mandates
 - HMO Blue New England and Access Blue New England cover Assisted Reproductive Technology

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Medicaid Landscape

	Traditional Medicaid	Medicaid Expansion
WHO	Varies among mandatory and optional groups	Adults up to 133% FPL
WHAT	Mandatory and optional benefits with EPSTD for kids	Benchmark that must include EHB and some traditional Medicaid services
HOW	Mix of FFS and Managed Care (7/1/12)	Same
EHB Impact	EHB could be more rich than Medicaid; but excludes long term care services	Promotes coordination but may differ from individual and small group market benchmark

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EHB and Medicaid

- Medicaid benefits for the new adult category must meet one of three Medicaid benchmarks that cover the EHB. There is no default. Gaps between the benchmark and EHB must be supplemented.
- The 3 Medicaid benchmarks are among the 9 available for the Individual and Small Group markets. Not mandatory that the same benchmark be selected for Medicaid as for the Individual and Small Group markets.
- Alignment of the benchmarks could be advantageous if NH offers the Basic Health Plan because it would align the benefits in each domain easing burden of churn.
- Medicaid agency is responsible for implementing of EHB through the Medicaid benchmark.

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Next Steps

- Determining EHB benchmark for NH
- Detailed plan evaluation
- Role of Oversight Committee?