



California's Benchmark for Essential Health Benefits

**CALIFORNIA INSURANCE COMMISSIONER
DAVE JONES**
Informational Hearing
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Basic Federal Requirements



- **The Affordable Care Act § 1302:**
 - **Requires HHS to define Essential Health Benefits (EHBs)**
 - **Sets Requirements for the EHBs:**
 - ✦ **Must cover 10 categories of items/services**
 - ✦ **Must be equal to benefits covered under a typical employer plan**
 - ✦ **Consider balance, discrimination, and the health care needs of diverse segments of the population**

Scope of EHB Requirement



- **EHBs Apply to Certain Types of Plans:**
 - Non-grandfathered health insurance plans in the:
 - ✦ individual and
 - ✦ small group markets,
 - ◇
 - ✦ inside and
 - ✦ outside of the Exchange
 - Medicaid benchmark and benchmark-equivalent and Basic Health Programs (this is a different use of 'benchmark')

10 Categories of Required Items and 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**

What's in the 10 Categories?



- Subcategories within the 10 required items and services are NOT specified by the federal government
- Instead, it is determined by what is in each state's benchmark plan

Further Federal Guidance



- **No federal rule yet**
- **Bulletin: December 16, 2011**
 - Provides that each state shall choose a benchmark plan
 - If state does not choose, choice defaults to largest plan by enrollment in the largest product in the state's small group market
- **Frequently Asked Questions, February 17, 2012**
- **HHS has indicated rule is coming**

Terminology: “Product” v. “Plan”



- **Federal Bulletin:**

- “products” = the services covered as a package by an issuer, which may have several cost-sharing options and riders as options
- “plan” = the specific benefits and cost-sharing provisions available to an enrolled consumer

Selecting a Benchmark Plan



- Each state's EHB Benchmark Plan must:
 - Be chosen by the state or by default [= largest small group plan by enrollment] (12/11 Bulletin)
 - Include missing coverage from any of the 10 categories
 - Include coverage for state mandates enacted before 12/31/11 [where applicable]
 - Comply with the Mental Health Parity and Addiction Equity Act of 2008

Riders & Additional Benefits



- **EHBs may not include coverage provided by rider**

“For purposes of identifying the benchmark plan, we identify the plan as the benefits covered by the product excluding all riders” FAQ 6

- **States must defray the cost of mandates not in benchmark plan**

Benchmark defines benefits, not copays



- **The Benchmark Plan Selected:**
 - Sets the minimum benefits, and limits on those benefits for 2014-2015
 - One plan defines benefits for both the individual & small group market
 - Plan does not set co-pays
 - ✦ Cost-sharing determines the actuarial value of the plan ('metal level')

What is included in a State's EHB?



- From #17, “Frequently Asked Questions”, Feb. 17, 2012:
 - A State's EHB package would include
 - ✦ The benefits offered **in** the benchmark plan
 - ✦ Any supplemental benefits required to ensure coverage within all ten statutory categories of benefits
 - ✦ Any adjustments to include coverage for applicable State mandate enacted before December 31, 2011.
- List does not include plan's regulatory milieu outside the text of the plan

Supplementing



- If the plan selected by a state is missing coverage in one of the 10 ACA categories, state must supplement the chosen benchmark plan by reference to another candidate benchmark plan that covers the missing category.
- Example: the default plan (largest small group) would be supplemented by looking to coverage of the second largest, third largest, then largest FEHBP plan

Benchmark Plan Selection Timeline



- **Plan selection must be based on enrollment data from first quarter 2012**
 - ✦ CCIIO: provide data in January and June 2012
- **State must select by the end of the third quarter of 2012.**
 - Plan selected will define EHBs for 2014 & 2015
 - Thereafter, selected on an annual basis (federal government may re-evaluate)

Benchmark Plan Options



- **Largest small group plan by enrollment from any of the three largest small group products**
- **Any of the top three state employee health benefit plans, by enrollment**
- **Any of the three largest national FEHBP plan options by enrollment**
- **The largest commercial non-Medicaid HMO in the state**

Special considerations for some categories



- **FAQ recognized need for special supplemental approach for 3 categories of services:**
 - **Habilitative services**
 - **Pediatric dental services**
 - **Pediatric vision services**

Habilitative Services



- **Bulletin recognized difference between:**
 - **Habilitative services:**
 - ✦ Including concepts of maintaining function, creating or restoring function (*Bulletin, p. 11*)
 - **Rehabilitative services**
 - ✦ Restoring skills and function
- **FAQ 5 transitional approach** (*“we are considering proposing....”*)
 - Plan required to offer same services, at parity, for habilitative and rehabilitative needs
 - Plan decide which habilitative services to cover, HHS to evaluate

Pediatric Oral Care



“we are considering proposing....” FAQ 5)

- **Supplement with benefits from either:**
 - Federal Employees Dental and Vision Insurance Program (FEDVIP) dental plan with the highest national enrollment, or
 - The state’s Children’s Health Insurance Program (CHIP)
 - ✦ **Healthy Families**

Pediatric Vision Care



(“we are considering proposing...” FAQ 5)

- **Supplement with benefits from Federal Employees Dental and Vision Insurance Program (FEDVIP) vision plan with the highest national enrollment**

Materials on CDI Website



- **Benefit Comparison Chart**
- **Explanations of Coverage**

www.insurance.ca.gov

Benchmark Illustration #1:



Ambulatory Patient Services	Anthem Small Group Solution 2500 PPO	Kaiser HMO Small Group – HMO 30
Primary Care Visit	Covered	Covered
Specialist Visit	Covered	Covered
Acupuncture	Covered with limits	Covered with restrictions
Chiropractic Services	Covered with limits	Not covered; available for purchase as rider

Benchmark Illustration #1, slide 2 of 3



Ambulatory Patient Services	Anthem Small Group Solution 2500 PPO	Kaiser HMO Small Group – HMO 30
General Anesthesia for Dental Procedures	Covered	Covered
Outpatient Surgery Services (Ambulatory Surgery Centers)	Covered	Covered
Urgent Care Facility Visit	covered	Covered

Benchmark Illustration #1, slide 3 of 3



Ambulatory Patient Services	Anthem Small Group Solution 2500 PPO	Kaiser HMO Small Group – HMO 30
Assisted Reproductive Technology (ART)	Covered with limits	Not Covered
Infertility Services (non-ART)	Covered with limits	Not covered

Benchmark Illustration #2:



Mental Health & Substance Use Disorder Services (including behavioral health treatment)	Anthem Small Group Solution 2500 PPO	CalPERS-PERS CHOICE
Treatment for Substance Abuse	Covered with limits	Covered
Alcoholism Treatment	Covered with limits	Covered
Treatment for Severe Mental Illness and Serious Emotional Disturbance of a Child	Covered	Covered

Benchmark Illustration #2: slide 2 of 2



Mental Health & Substance Use Disorder Services (including behavioral health treatment)	Anthem Small Group Solution 2500 PPO	CalPERS-PERS CHOICE
Treatment for mental illness other than Severe Mental Illness and Serious Emotional Disturbance of a Child	Covered with limits	Not Specified
Behavioral Health Treatment (or ABA Therapy) for Pervasive Developmental Disorder or Autism	Covered	Not Covered

Benchmark Illustration



- **Note that no Kaiser plan covers ABA therapy without limiting coverage to licensed professionals acting in the scope of their license.**

Considerations in Selecting The Benchmark



Comments from members of the public

Goal:

Identify issues & concerns that should be considered in developing recommendations regarding EHB's

The End



Thank you

