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Defining Essential Health Benefits – Key State Considerations

October 4, 2011

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Agenda

- The Benefits Landscape
- Medicaid, Benchmark, and Essential Health Benefits Interaction
- Benefit Design
- State Considerations
- State Work Ahead

The ACA Benefits Landscape

	Traditional Medicaid	Medicaid Expansion	Exchanges
Population	Varies (mandatory and optional)	Uninsured up to 133% FPL	Individuals above 133% FPL
Benefits	Mandatory and optional benefits with EPSDT requirements for children	Benchmark or equivalent that must include EHB and some traditional Medicaid services	Essential health benefits as a floor for qualified health plans
Delivery System	Mix of fee-for-service and managed care	Same as traditional Medicaid	Qualified health plans
EHB Issues	Comprehensive EHB could be more generous than traditional Medicaid	EHB promotes coordination with exchanges, but may be different from “benchmarks”	Fine line between comprehensiveness and affordability

What is Required in Benefit Design?

- Expansion requires benchmark, benchmark equivalent, or secretary-approved benefits
- Benchmarks in general are less comprehensive than traditional Medicaid benefits (more like commercial)
- Benchmark Equivalent: Can differ from benchmark as long as certified actuarially equivalent to one of the benchmarks
- ACA definition of benchmarks and equivalents includes:
 - ▶ Mental health services
 - ▶ Prescription drug coverage
 - ▶ Family planning services and supplies
 - ▶ Transportation
 - ▶ **ESSENTIAL HEALTH BENEFITS**

How Benchmark and EHB Fit with Medicaid

STANDARD MEDICAID

(current Medicaid & Benchmark exempt population)

- **Benchmark package plus** LTSS and home health services

BENCHMARK

(Expansion population)

- **Essential Health package plus** EPSDT, non emergent transport, FQHC services and family planning

ESSENTIAL HEALTH

(Exchange Qualified Plans)

- Physician, hospital, laboratory, MH/SA, rehabilitative and habilitative services

Issues for States to Consider

- Comprehensiveness of EHB compared to:
 - ▶ Traditional Medicaid
 - ▶ Statutory benchmarks
 - ▶ Typical employer plans
- Impact of EHB on consumer attraction to different coverage options
- EHB delivered in up to 3 different systems
 - ▶ Medicaid expansion, basic health plan, exchange
- Need for traditional Medicaid to add EHB not historically covered
- Impact on long-term Medicaid costs
- Benefit design should consider diverse needs of individuals with different incomes receiving EHB in different coverage programs

Medicaid Expansion: Specific Issues

- EHB is required for individuals exempt from mandatory enrollment in benchmarks who must be offered traditional Medicaid
- Will states be given flexibility to design EHB coverage rules?
- How can states wrap required benchmark and traditional Medicaid services around EHB?
- Coordination of benefits with the exchange given additional Medicaid expansion requirements

Key State Work Ahead: Minimizing Churn Through Contracting and Benefit Design

- Consider implications of benefit design and requiring health plans to contract with different programs
 - ▶ Require plans to offer products for Medicaid, BHPs, and the Exchange
 - ▶ Statewideness
 - ▶ Impact on smaller “home-grown” health plans
 - ▶ Beneficiary assignment
- Primary Care Case Management/Fee-for-Service
 - ▶ Network adequacy considerations
 - ▶ Statewideness

What States Can Do NOW

- States can assess their existing programs and benefit sets – think about the current so that you can get to the future design
- States should also consider how QHPs and the state's Medicaid Expansion benefit package meet the mandated insurance benefit requirements under state law

Building a Benefit Chart

