

Texas CHIP Coalition Minutes

January 20, 2012

Facilitator: Kathy Eckstein

EHB Guidance Discussed (see handouts) – Stacey Pogue Discussed EHB handout (attach)

In mid-December, the U.S. Department of Health and Human Services (HHS) released a proposal outlining its approach for defining Essential Health Benefits (EHB) provided by health plans that offer coverage through the state health insurance Exchange or through small group and individual plans sold outside the Exchange.

According to the Affordable Care Act (ACA), EHB must be substantially equal to benefits provided under a typical employer-sponsored plan, but must include 10 service 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,
- prevention and wellness services and chronic disease management, and
- pediatric services (including oral and vision care).

For 2014 and 2015, each state may choose a benchmark plan from one of the following:

- Any of the 3 largest small-group plans in the state (by enrollment);
- Any of the 3 largest state employee health plans (by enrollment);
- Any of the 3 largest federal employee health benefit programs (by enrollment); or
- The largest insured commercial non-Medicaid HMO plan operating in the state.

Benchmarks will be selected in the third quarter of 2012 and become effective January 1, 2014. If a state fails to select a benchmark, the largest small-group plan in the state will be the benchmark.

If a state mandates benefits beyond what is in its selected EHB benchmark, the state must cover the cost of the additional benefits for any individuals enrolled in a qualified health plan.

- Choosing a small-group plan in the state as the benchmark would circumvent the cost to the state (at least for 2014 and 2015), but small-group coverage generally

has several benefit limitations and could be insufficient to meet the needs of children with severe or complex physical or developmental conditions.

- An appropriations rider directs the Texas Department of Insurance to analyze the cost of maintaining state mandates and the responsibility for payment of mandated benefits in the exchange. A report is due no later than 90 days after federal rules are finalized or December 31, 2012, whichever is earlier.
- State mandates that exceed the EHB requirements could be in jeopardy. The legislature may feel pressure to repeal them.

Some concerns:

- Because habilitation and pediatric oral and vision care are not routinely covered by existing plans, the benchmark plan may need to be supplemented to cover missing services
- The default plan is the small employer coverage which is likely the least comprehensive.
- Issue of insurer flexibility: If insurers have flexibility to modify or substitute benefits within the EHB, they could design plans that will attract more low-cost healthy individuals and discourage those with pre-existing conditions. Other concern with too much insurer flexibility is that consumers will be less able to compare apples to apples, which is one benefit of health reform.
- Lack of understanding on process and inclusion of public input.

Next steps

- Kathy Eckstein from CHAT noted that several national groups are going to lobby for a national EHB standard (as opposed to the state benchmark process). HHS is unlikely to move forward with a national standard. Also, many national children's advocacy groups will lobby for EPSDT benefits to be the EHB standard for children. This is the best option for meeting children's needs, but will make coverage more expensive and is not reflective of the "typical employer plan" as is required by the ACA.
- Kathy Eckstein proposed that the CHIP Coalition consider advocating for using CHIP as the state benchmark for children - more realistic than Medicaid in terms of cost – and for emphasizing need for public input throughout the process. Helen Kent-Davis from TMA pointed out that CHIP was developed through consensus and might make a good model for EHB for children.
- Kathy will draft a CHIP Coalition sign-on letter. (Since meeting CHIP sign-on, letter has come out that recognized the Medicaid benefits package as the ideal and that in lieu of that, CHIP should be looked at as the benchmark.)

Resources:

- EHB summary of issues for children from CHAT
- Comparison of EHB categories to CHIP coverage

- EHB Policy Page from CPPP