

House Committee on Health & Homelessness Informational Briefing

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS,
INSURANCE DIVISION

MARCH 6, 2024

Agenda

- ▶ Essential Health Benefits (EHB)
- ▶ EHB-benchmark Plan Options
- ▶ EHB-benchmark Plan Process
- ▶ Proposed EHB Policy Changes in the Plan Year 2025 Notice of Benefit and Payment Parameters

Essential Health Benefits

- ▶ The Affordable Care Act (ACA) requires all non-grandfathered health insurance plans offered in the small group and individual markets to cover all Essential Health Benefits (EHBs) beginning on January 1, 2014.
- ▶ The ACA defines EHBs to include the following ten broad categories of health benefits

Essential Health Benefits

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

EHB Benchmark Plan

The U.S. Department of Health and Human Services (HHS) allows each state the flexibility to designate a benchmark plan to serve as the State's EHB

EHBs are the package of covered benefits to which insurers apply cost sharing requirements resulting in levels of coverage by Metal Levels and Actuarial Value (AV):

- Platinum with an AV of 90%
- Gold with an AV of 80%
- Silver with an AV of 70%
- Bronze with an AV of 60%

Individual and Small Group Enrollment

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2022 Small Group Enrollment:¹

- Enrollment: 105,265
- Average Premium: \$508.02

2023 Marketplace Individuals on HealthCare.gov:²

- Consumers with a Marketplace Plan Selection: 21,645
- Average Premium: \$655
- Consumers receiving APTC: 17,817 ($17,817 / 21,645 = 82.3\%$)
- Average Premium after APTC among consumers receiving APTC: \$140
- Consumers with a Premium \leq \$10 after APTC: 2,545

1. <https://labor.hawaii.gov/dcd/files/2023/10/2022-Annual-Report.1-09292023perCMS.pdf>

2. <https://www.cms.gov/data-research/statistics-trends-and-reports/marketplace-products/2023-marketplace-open-enrollment-period-public-use-files>

EHB Benchmark Plan

45 CFR § 155.170, Additional required benefits¹

- A State may require a QHP to offer benefits in addition to the EHB.
- A benefit required by State action taking place on or before December 31, 2011, is considered an EHB.
- A benefit required by State action taking place on or after January 1, 2012, other than for purposes of compliance with Federal requirements, is considered in addition to the essential health benefits.

1. <https://www.ecfr.gov/current/title-45/subtitle-A/subchapter-B/part-155/subpart-B/section-155.170>

EHB Benchmark Plan Options

Under 45 CFR 156.111, states may select a new EHB-benchmark plan for plan years beginning on or after January 1, 2020, from the following options:¹

- ▶ **Option 1:** Selecting the EHB-benchmark plan that another state used for the 2017 plan year
- ▶ **Option 2:** Replacing one or more categories of EHB with the same category or categories of EHB from the EHB-benchmark plan that another state used for the 2017 plan year.
- ▶ **Option 3:** Selecting a set of benefits to become the state's EHB-benchmark plan

1. Notice of Benefit and Payment Parameters for 2019 (2019 Payment Notice) displayed on April 17, 2018.

EHB Benchmark Plan Process

To change EHB-benchmark plans, states are required to:

1. Notify HHS on the selection of a new EHB-benchmark plan by a date determined by HHS for each plan year.
2. Submit documents as specified by HHS
3. Provide public notice and opportunity for public comment
4. Submit a new EHB-benchmark plan compliant with HHS requirements

Proposed EHB Policy Changes

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Plan Year 2025 Notice of Benefit and Payment Parameters¹

- CMS proposes updates on State requirements to revise their EHB-benchmark plan for plan years beginning on or after January 1, 2027.
- CMS proposes to remove the prohibition on routine non-pediatric dental services as an EHB which would remove regulatory barriers to expanding adult dental benefits.
- CMS proposes revising § 155.170 so that state-mandated benefits would no longer be considered “in addition to EHB” under the CMS defrayal policy if the mandated benefit is an EHB in the state’s EHB-benchmark plan.

1. Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2025; Draft Rule (November 24, 2023), 88 FR 82597, available at <https://www.govinfo.gov/content/pkg/FR-2023-11-24/pdf/2023-25576.pdf>.

Proposed EHB Policy Changes

Considerations for the Plan Year 2025 Notice of Benefit and Payment Parameters proposed flexibilities if finalized:

- ▶ States may be interested in updating EHB-benchmark plan applications in May of 2025, for an EHB-benchmark plan effective in Plan Year 2027

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