



Interactions with State Mandates and the ACA's Essential Health Benefits

California Health Benefits Review Program

Garen Corbett, MS

University of California, Office of the President
State and Local Government Benefits Association

April 17, 2012



Outline

- Key ACA requirements (EHBs!) & Interactions with States' Mandates
- Analytic needs for public payers and how "CHBRP-like analysis approaches" can help other states and other public payers too.
- Brief overview of California Health Benefits Review Program



ACA Requirements and Opportunities

- Changes in 2014:
 - All non-grandfathered plans must include Essential Health Benefits.

- Changes in 2017:
 - States may allow large groups to purchase health insurance in the Exchange.



What are Essential Health Benefits?

➤ Ten categories:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health
- Prescription drugs
- Laboratory services
- Rehabilitative and habilitative services and devices
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

➤ Must “equal the scope of benefits provided under a typical employer plan.”



What is a “Typical Employer Plan”? (US DOL Survey)

- Almost universally covered
 - Hospital/Physicians office visits
- Less likely to be covered
 - Physical therapy
 - Outpatient mental health care
- Where most plans vary
 - Cost sharing
 - Provider networks



Affordability vs. Comprehensiveness

- The IOM proposed that the benefits included in the EHB must enable *ACCESS* to essential services but must also be *AFFORDABLE* so that as many as possible can purchase the coverage. The committee saw its primary task as finding the right **balance**.
- How do we **inform** decision-makers to try and achieve this **balance**?



Federal “Bulletin” on EHBs

- US HHS “Bulletin” proposes definition of EHBs for 2014-15
 - States may select a benchmark plan.
 - A benchmark plan may include some/all of a state’s benefit mandates.



Benchmark Plan Options: 10 possibilities

- Largest 3 small group products.
- Largest 3 state employee health benefit plans (by enrollment).
- Largest 3 national Federal Employee Health Benefit Plan options.
- Largest insured commercial non-Medicaid HMO operating in the state



Example: 1 California Mandate

EHB Benchmark	Mandate: ABA for Autism
As of now	
ACA – 10 EHB Categories	Unclear
As of 2014	
Benchmark 1: Small Group Market Plan	Within
Benchmark 2: Public Employee Program-insured	Unclear
Benchmark 3: Public Employee Program – Self-insured	Above
Benchmark 4: FEHB plan	Above
Benchmark 5: Large Group Market HMO	Within



Outstanding Questions: Benefit Mandates

- How will various state benefit mandates be addressed, such as:
 - In CA: 40+ mandates in each of two regulated markets
 - Mandates to “offer” coverage
 - “Disease”-specific mandate that span multiple EHB categories
 - State mandates that stipulate coverage by age or frequency– that vary for instance, from USPSTF guidelines?



Fiscal Impacts of ACA on Public Budgets

- Benefit coverage requirements in ACA
- Effective September 23, 2010
 - Preventive benefits without cost sharing
 - Dependent coverage for young adults until age 26
- Medicaid expansion
- Effective January 1, 2014
 - States must “*defray the cost of any additional benefits.*” ACA §1311(d)(3)(B)



How CHBRP Analyses Help



Role of CHBRP

- A program administered by the University of California, but institutionally independent
- Created by law in 2002 to provide timely, independent, evidence-based information to the Legislature to assist in decision-making
- Charged to analyze medical effectiveness, cost, and public health impacts of health insurance benefit mandates or repeals
- Requested to complete each analysis within 60 days without bias or policy recommendations



Who are we?

- Task Force of faculty and researchers
- Actuarial firm: Milliman, Inc
- Librarians
- Content Experts
- National Advisory Council
- CHBRP Staff



CHBRP's Method Provides Timely Analysis

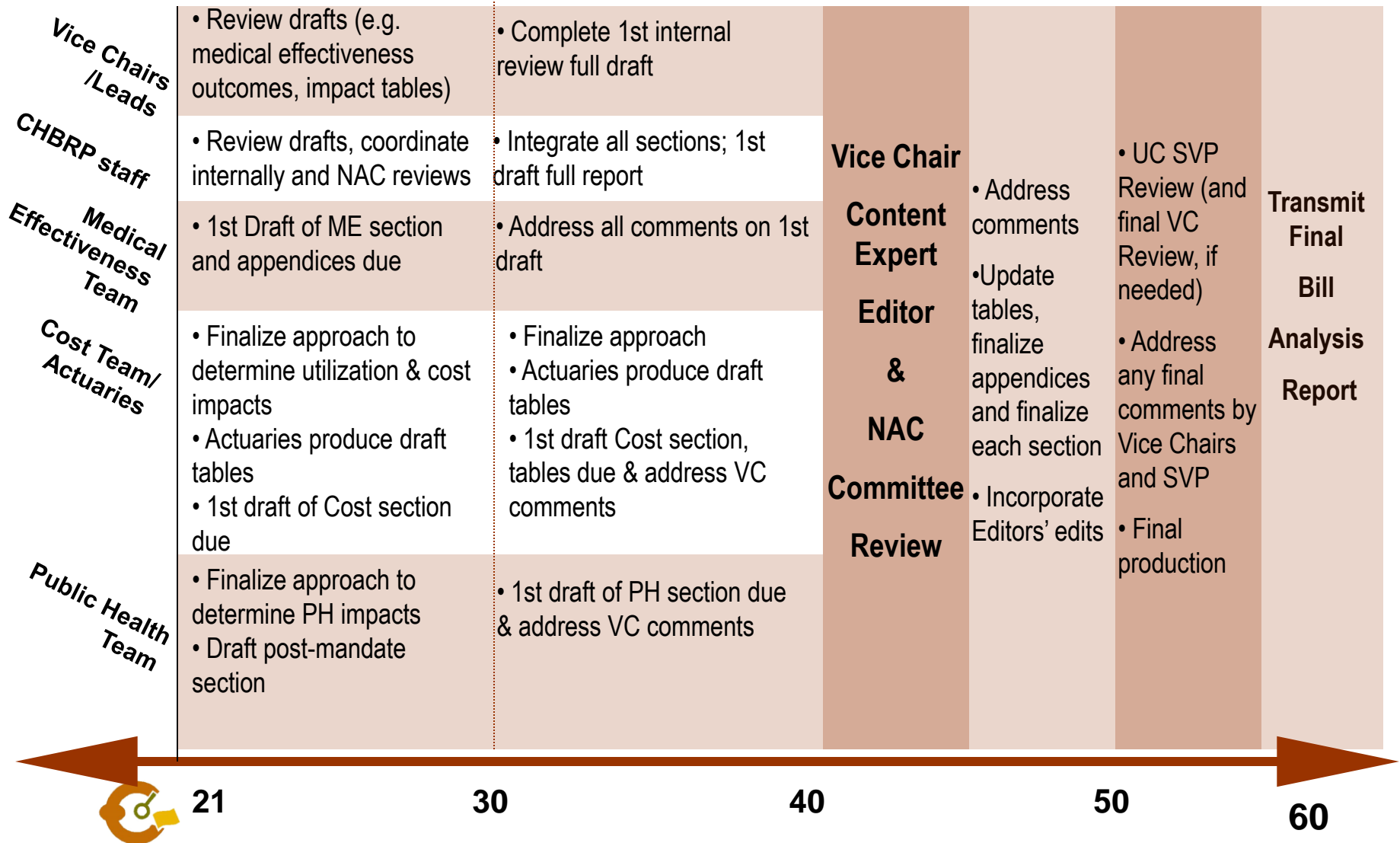


60-Day Timeline: Days 0-20

Vice Chairs /Leads	<ul style="list-style-type: none"> • Identify analytic teams, faculty/staff leads, reviewers • Identify potential conflicts of interest • Determine scope of services 	<ul style="list-style-type: none"> • Review drafts (e.g. bibliography, baseline tables)
CHBRP staff	<ul style="list-style-type: none"> • Receive request; post on web site • Clarify intent of bill in writing (work w/bill author) • Send out CHBRP coverage survey • Contact various groups re public demand 	<ul style="list-style-type: none"> • Compile carrier coverage data and • Compile info from the interested parties • Compile coverage info for public programs
Medical Effectiveness Team/ Librarians	<ul style="list-style-type: none"> • Screen and select content expert per protocol • Identify search terms and scope of search • Librarians conduct literature search under direction of effectiveness team 	<ul style="list-style-type: none"> • Librarians prepare final abstract database • Team analyzes literature & prepares draft medical outcomes summary tables
Cost Team/ Actuaries	<ul style="list-style-type: none"> • Conduct cost-related literature search • Identify codes for claims pull of baseline utilization 	<ul style="list-style-type: none"> • Develop baseline coverage, utilization tables. • Review evidence for projecting impacts (utilization assumptions, cost offsets, long-term impacts)
Public Health Team	<ul style="list-style-type: none"> • Conduct literature search for PH analysis (e.g. prevalence, racial disparities) 	<ul style="list-style-type: none"> • Develop baseline tables for public health and review evidence to for projecting impacts on subpopulations



60-Day Timeline: Days 21-60



Relevance to All

- Other states and programs may want to consider instituting similar kinds of analytic efforts to provide timely, independent, evidence-based information to assist in decision-making
- CHBRP has surveyed other states and made its report public at:
<http://www.chbrp.org/publications.html>

