Florida Health Insurance Advisory Board

Essential Health Benefits
(Proposed Benefit and Payment Parameters of 2016)

December 9, 2014
HHS Proposed Notice of Benefit & Payment Parameters

Federal Register / Vol. 29, No. 228 / November 26, 2014

- Extends EHB Selection Through Plan Year 2016
  - A Uniform Definition of Habilitative Services
  - New Requirements for Prescription Drugs/Drug Formularies

- Rate Increases to be Posted for Public Comment
- 2016 Open Enrollment Period (10/1 to 12/15)
- 2016 Annual Limits on Cost Sharing
- New Re-Enrollment Approach for 2017
- More Refined Definition for Product/Plan
- SHOP Operations
- Payment Parameters for the “Three Rs”
- Plan Suppressions
Why are Essential Health Benefits Important?

- Central to the Patient Protection and Affordable Care Act (PPACA)
- Affects Most Individual & Small Group Policies Starting 2014
  Exceptions: Grandfathered, Transitional, Self-Insured Plans
- Affects Policies On and Off-Exchange
List of Essential Health Benefits

- Ambulatory Services
- Emergency Services
- Hospitalization
- Maternity and Newborn Care
- Mental Health
- Prescription Drugs
- Rehabilitative/Habilitative Services
- Laboratory Services
- Preventive Care
- Pediatric Vision and Dental
How Were Essential Health Benefits Selected?

- State was Given the Option to Select (via “Benchmark Plan”)
  - Largest Three Small Group Plans
  - Largest Three Federal Employee Plans
  - Largest Three State Employee Plans
  - Largest Commercial HMO
State Selections of Essential Health Benefits

- 20 States – A Small Group Plan Offered in the State
- 3 States – Largest Commercial HMO Plan (CT, MI, ND)
- 2 States – A State Employee Plan (AZ, UT)

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- 25 States – Defaulted (Largest Small Group Plan)

45 CFR 156.100 (c) – Default base-benchmark plan. If a State does not make a selection using the process defined in § 156.100 of this section, the default base-benchmark plan will be the largest plan by enrollment in the largest product by enrollment in the State’s small group market.

Florida – BlueOptions 5462 PPO + FEDVIP Plan
Proposed Selection of New EHB

- States will have Another Opportunity to Select a Plan
  [Selection Date Not in Proposed Regulation]

- Same Default (45 CFR 156.100 (c))

- Must be Based on Plan Sold in 2014

- 2014 Plans will be Compliant with Market Reforms
  * Removal of Lifetime and Annual Limits
  * Compliance with Mental Health Parity Act
Proposed Changes to Habilitative Services

Currently:

If benchmark does not cover habilitative services then:
   1) It will include services prescribed by the state
   2) If state does not specify - parity with rehab services

Proposed:

- HHS to develop a uniform definition:

   Potentially based on:
   “Glossary of Health Coverage and Medical Terms”
Proposed Changes to Prescription Drugs
[Plan Year 2017]

- Formulary Drug List Must be Provided to the Exchange, State Regulator or OPM

- Companies Establish Pharmacy & Therapeutic (P&T) Committee

- Formulary Drug List Provisions:
  1) Covers a Broad Range of Drugs Across Therapeutic Categories and Classes
  2) Provide Appropriate Access to Drugs

- HHS Considering Replacing USP Standard with the American Hospital Formulary Service (AHFS)

- Companies Make Available Updated Formulary Drug Lists
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