

NY State of Health
The Official Health Plan Marketplace

Essential Health Benefits 2017
Webinar

June 24, 2015

Essential Health Benefits 2017

- New York must select a benchmark plan as the basis for the state’s definition of “essential health benefits” for 2017
- Essential health benefits (EHB) has two primary purposes:
 - It represents the minimum set of benefits that must be offered by certain health plans
 - Individual and small group market plans inside and outside the Marketplace
 - Additional benefits can be offered by insurers, and have been through non-standard products on the marketplace
 - It is the basis for the computation of tax credits, which apply only to EHB

Essential Health Benefits 2017



- New York has the same ten benchmark plan options as in 2012
- New York contracted with Milliman, Inc. to conduct an in-depth actuarial analysis of the ten benchmark plan options
- New York's goal is to select a benchmark plan that offers comprehensive benefits while minimizing costs to individuals and small groups
- Benchmark plan selection is due to CMS on July 1

New York Essential Health Benefits

2017 Benchmark Plan Options

Presented by:

Barbara Abbott, FSA, MAAA
Consulting Actuary

June 24, 2015

Overview

Background

New York's Current Essential Health Benefit

Base Benchmark Plan Options

Coverage Similarities Among Medical Plans

Coverage Differences Among Medical Plans

Pediatric Vision and Dental Options

Limitations

Questions

Background

Each state's Essential Health Benefit (EHB) must cover the following categories of benefits:

- Ambulatory Patient Services
- Emergency Room Services
- Hospitalization
- Maternity and Newborn Care
- Mental Health and Substance Abuse Disorders
- Prescription Drugs
- Rehabilitative and Habilitative Services and Devices
- Laboratory Services
- Preventive and Wellness Services and Chronic Disease Management
- Pediatric Services, Including Oral and Vision Care

EHB refers to covered services, not cost sharing.

Background – Process

In 2012, Federal Regulation established a process where each State defines their own EHB by first selecting a base benchmark plan from 10 options including plans offered to Federal employees, plans offered to each State's employees, the State's largest small group plans, and the State's largest non-Medicaid HMO plan.

Then each State supplements that base benchmark plan as needed to comply with EHB requirements. The most commonly supplemented benefits are habilitative services and pediatric vision and dental services. The Federal Regulation allowed states to supplement pediatric vision and dental benefits from either the FEDVIP or State CHIP plans.

Background – Mandates

A State-required benefit enacted on or before December 31, 2011 is not considered an addition to the essential health benefits.

Source: 45 C.F.R. 155.170(a)

State-mandated benefits enacted prior to December 31, 2011 will become part of the EHB regardless of which base benchmark plan is selected.

States are required to defray the costs of State-mandated benefits in qualified health plans (QHPs) that are in excess of the EHB. This would pertain to any mandates enacted after January 1, 2012.

New York's Current Essential Health Benefit

Oxford Health Insurance, Inc. – Oxford EPO

After analysis of benchmark plan options and a public comment period, on October 1, 2012, NYS submitted its selection of the State's largest small group plan, Oxford EPO, as the Essential Health Benefits benchmark plan to Health and Human Services.

Additional Items Added to Base Benchmark Plan

- Habilitative services offered on parity with rehabilitative services
- Pediatric vision care based on State CHIP benefits
- Pediatric dental care based on State CHIP benefits

Background – Recent Regulations

Final HHS Notice of Benefit and Payment Parameters for 2016:

- Allows states to select a new Essential Health Benefit (EHB) benchmark plan for 2017 based on plans available in 2014 and using the same process used to select the benchmark plan for 2014.
- Clarifies requirements pertaining to habilitative services:
 - Definition for habilitative services will be made by states, not insurers;
 - Clarifies that rehabilitative and habilitative services must have separate visit limits;
 - Added a uniform definition of habilitative services, which includes “devices,” and clarifies that coverage of devices is required for both rehabilitative and habilitative services.

Base Benchmark Plan Options

Four General Categories of Plans

Three largest
Federal
Employees Health
Benefits Program
(FEHBP)

Three largest
NYSHIP State
Employee Plans

Largest plan in
each of the three
largest products in
New York's small
group market

Largest New York
commercial group
HMO

Base Benchmark Plan Options

Plans used in 2012 Analysis of EHB Effective January 1, 2014

Three largest
Federal
Employees Health
Benefits Program
(FEHBP)

1. Government Employees Health Association (GEHA)
2. Blue Cross Blue Shield Basic
3. Blue Cross Blue Shield Standard

Three largest
NYSHIP State
Employee Plans

1. Empire Plan
2. CDPHP
3. Independent Health

Largest plan in
each of the three
largest products in
New York's small
group market

1. Oxford EPO
2. Oxford HMO
3. Oxford Direct

Largest New York
commercial group
HMO

1. HIP Prime HMO

Base Benchmark Plan Options

Plans used in 2015 Analysis of EHB Effective January 1, 2017

Three largest
Federal
Employees Health
Benefits Program
(FEHBP)

1. Government Employees Health Association (GEHA)
2. Blue Cross Blue Shield Basic
3. Blue Cross Blue Shield Standard

Three largest
NYSHIP State
Employee Plans

1. Empire Plan
2. CDPHP
3. Independent Health

Largest plan in
each of the three
largest products in
New York's small
group market

1. Oxford Freedom EPO
2. Oxford Gold HMO
3. Oxford Freedom PPO

Note: the small group products are substantially similar to the 2012 plans but are now ACA compliant.

Largest New York
commercial group
HMO

1. HIP Prime HMO

Benefits Covered by All Plans (1 of 2)

Accidental Dental

Allergy Testing

Bariatric Surgery

Breast Reconstructive Surgery

Chemotherapy

Chiropractic Care

Delivery and All Inpatient Services for Maternity Care

Diabetes Care Management

Diabetes Education

Dialysis

Emergency Room Services

Emergency Transportation/Ambulance

Family Planning Services

Generic Drugs

Home Health Care Services

Hospice Services

Imaging (CT/PET Scans, MRIs)

Basic Infertility Treatment

Infusion Therapy

Inherited Metabolic Disorder - PKU

Inpatient Hospital Services (e.g., Hospital Stay)

Inpatient Physician and Surgical Services

Laboratory Outpatient and Professional Services

Mental/Behavioral Health Inpatient Services

Mental/Behavioral Health Outpatient Services

Non-Preferred Brand Drugs

Benefits Covered by All Plans (2 of 2)

Other Practitioner Office Visit (Nurse, Physician Assistant)

Outpatient Facility Fee (e.g., Ambulatory Surgery Center)

Outpatient Rehabilitation Services)

Outpatient Surgery Physician/Surgical Services

Post-Mastectomy Care

Preferred Brand Drugs

Prenatal and Postnatal Care

Preventive Care/Screening/Immunization

Primary Care Visit to Treat an Injury or Illness

Radiation

Reconstructive Surgery

Rehabilitative Occupational and

Rehabilitative Physical Therapy

Rehabilitative Speech Therapy

Skilled Nursing Facility

Specialist Visit

Specialty Drugs

Substance Abuse Disorder Inpatient Services

Substance Abuse Disorder Outpatient Services

Transplant

Treatment for Temporomandibular Joint Disorders

Urgent Care Centers or Facilities

Well Baby Visits and Care

X-rays and Diagnostic Imaging

Benefits Not Covered by Any Plans

Cosmetic Surgery

Long-Term/Custodial Nursing Home Care

Weight Loss Programs (e.g. Jenny Craig)

Notes:

In addition to these benefits listed, there is a provision of the EHB regulation that states that “an issuer of a plan offering EHB may not include routine non-pediatric dental services, routine non-pediatric eye exam services, long-term/custodial nursing home care benefits, or non-medically necessary orthodontia as EHB.” As such, we have excluded these benefits from our comparison of the base benchmark options.

Source: 45 C.F.R. 156.115(d)

Benefit Differences Between Plans

- Coverage Differences

Identify benefits that are covered by one plan but not covered by another.

- Quantitative Limit Differences

Identify quantitative limits for a benefit that vary by plan (e.g. 50, 75, 200, etc. visits per calendar year).

Coverage Differences Among 2014 Plans

Benefit	2014 EHB	FEHBP Plan 1 - BCBS Standard	FEHBP Plan 2 - BCBS Basic	FEHBP Plan 3 - GEHA Standard	NYSHIP Plan 1 – Empire Plan	NYSHIP Plan 2 - CDPHP	NYSHIP Plan 3 - Independent	SG Plan 1 – Freedom EPO	SG Plan 2 – Gold HMO	SG Plan 3 – Freedom PPO	HIP Prime HMO
Autism Spectrum Disorders	X				X	X	X	X	X	X	X
Durable Medical Equipment	X	X	X	X	X	X	X	X	X	X	
Hearing Aids	X	X	X	X	X			X	X	X	
Nutritional Counseling	X	X	X	X	X	X	X	X	X	X	
Prosthetic Devices	X	X	X	X	X	X	X	X	X	X	
Prescription Drugs	X	X	X	X	X	X	X	X	X	X	
Acupuncture		X	X	X	X	X					
Assisted Reproductive Technology (ART)					X						
Non-Emergency Care When Traveling Outside the U.S.		X	X	X	X						
Foot Orthotics - Shoe Inserts					X						
Private Duty Nursing (Skilled Nursing in the Home)					X						

Limit Differences Among 2014 Plans

	2014 EHB	FEHBP Plan 1 - BCBS Standard	FEHBP Plan 2 - BCBS Basic	FEHBP Plan 3 - GEHA Standard	NYSHIP Plan 1 – Empire Plan	NYSHIP Plan 2 - CDPHP	NYSHIP Plan 3 - Independent	SG Plan 1 – Freedom EPO	SG Plan 2 – Gold HMO	SG Plan 3 – Freedom PPO	HIP Prime HMO
Quantitative Limits on Benefits											
Acupuncture (visits per year) ‡ = Assumed from 2012 NY EHB Report	NC	24	10	20	¥	‡	NC	NC	NC	NC	NC
Chiropractic (visits per year)	¥	12	20	12	¥	¥	¥	¥	¥	¥	¥
Hearing Aids NC = Not Covered 1 = one pair every 5 years 2 = \$2,500 per year up to age 22, \$2,500 every 3 years over age 22 3 = \$1,500 per aid, per ear, every 4 years, children every 2 years 4 = one purchase every 3 years per impaired ear	4	2^	2^	1	3^	NC	NC	4	4	4	NC
Home Health Care Services (visits per year)	40	50	25	50	¥	45	40	40	40	40	200
Hospice Services (days per year)	210	¥	¥	¥	¥	210	¥	210	210	210	210
Inpatient Rehabilitative Physical/Occupational/Speech Therapy (visits per year or visits per lifetime; visits per lifetime are identified as ~)	60~	¥	¥	¥	¥	60	45	60~	60~	60~	90
Outpatient Rehabilitative Physical/Occupational/Speech Therapy (visits per year or visits per lifetime; visits per lifetime are identified with ~; CDPHP plan has separate visit limits for PT/OT/ST)	60~	75	50	60	¥	30/30/20	20	60	60	60	¥
Skilled Nursing Facility (days per year)	200	75	50	14	¥	45	45	200	200	200	¥

Notes: NC = Not Covered; ‡ = benefit covered for specific medical conditions; ¥ = Covered with No Limit, ^ = Dollar limits in benefit would not be permitted per the EHB and must be updated to compliance if selected, ~ = Per Condition Per Lifetime

Coverage Differences Compared to Current EHB

Three largest Federal Employees Health Benefits Program (FEHBP)

1. Changes from current EHB range from -0.32% to 0.41% increase in gross medical costs.
2. Changes differ mainly with respect to limit differences.

Three largest NYSHIP State Employee Plans

1. Changes from current EHB range from -1.27% to 1.49% change in gross medical costs.
2. Changes generally attributable to Outpatient Rehab ST/OT/PT, Private Duty Nursing (Empire Plan), and Hearing Aid limit differences.

Largest plan in any of the three largest products in New York's small group market

1. Change from current EHB for all three are 0.08%.
2. Change due to Oxford's removal of the lifetime limit for Outpatient Rehab ST/OT/PT.

Largest New York commercial group HMO

1. Decrease from current EHB is -0.06% if Prescription Drugs are supplemented as would be required.
2. Increase associated with Outpatient Rehab ST/OT/PT limits offset by decrease with DME coverage.

Comparison to Milliman's 2012 Analysis

The 2012 analysis is available online at:

<http://info.nystateofhealth.ny.gov/resource/essential-health-benefits-new-york-health-benefits-exchange>

Actuarial differences between benchmark plans have narrowed in 2014 due to federal regulatory changes.

- Adult vision and dental benefits can no longer be considered EHB regardless of which benchmark plan is chosen (45 C.F.R. 156.115(d)).
- In 2014, all benchmark plans offer benefits that are compliant with mental health parity requirements.
- State-required benefits (mandates) enacted on or before December 31, 2011 are included as EHB regardless of which benchmark plan is selected (45 C.F.R. 155.170(a)).

Pediatric Dental Benchmark Options

Benefit Class	Benefit	FEDVIP	CHIP
Preventive Dental Care	Prophylaxis (Scaling and Polishing)	1 every 6 months	1 every 6 months
	Topical Fluoride Application	2 every 12 months	1 every 6 months
	Sealants	1 per tooth every 36 months	Medical Necessity
Routine Dental Care	Oral Exam	1 every 6 months	1 every 6 months
	Full-Mouth X-Rays	1 every 60 months	1 every 36 months
	Bitewing X-Rays	1 every 6 months	1 every 6 to 12 months
	Non-Surgery Extractions	Medical Necessity	Medical Necessity
	Amalgam - Composite Restorations	Medical Necessity	Medical Necessity
	Stainless Steel Crowns	1 per tooth every 60 months	Medical Necessity
Prosthodontics	Space Maintainers	Medical Necessity	Medical Necessity
Orthodontic	Medically Necessary Orthodontia	Medical Necessity	Medical Necessity
	Cosmetic Orthodontia	Not Covered	Not Covered
Percent Difference in Gross Medical Costs from Current EHB		0.0%	0.0%

Sources:

(1) https://www.benefeds.com/Education_Support/dental_brochures/MetLife/MetLife2014.pdf

(2) NYS Child Health Plus Benefit Description: Dental and Vision

Pediatric Vision Benchmark Options

Benefit Class	Benefit	FEDVIP	CHIP
Diagnostic	Routine ophthalmologic exam with refraction	Medical necessity	1 every 12 months
Eyewear	Prescribed Lenses	1 set per calendar year	1 set every 12 months
	Frame	1 set every year	1 set every 12 months
Contact Lenses	Contact Lenses	Allowance of \$150 per calendar year in lieu of eyeglasses	Medical necessity
Percent Difference in Gross Medical Costs from Current EHB		0.01%	0.00%

Sources:

- (1) <http://cvw1.davisvision.com/forms/StaticFiles/English/FEP2014BenefitBooklet.pdf>
- (2) NYS Child Health Plus Benefit Description: Dental and Vision

Limitations

Milliman's work is prepared solely for the internal business use of the New York State Department of Health. Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit any third party recipient of its work product, even if Milliman consents to the release of its work product to such third party. We understand that the New York State Department of Health intends to share this analysis with stakeholders and on their public website, and we grant permission for this distribution.

In performing this analysis, we relied on data and other information provided by the New York State Department of Health, Department of Civil Service, and Department of Financial Services. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

The services provided for this project were performed under the agreed upon Consulting Services Agreement between Milliman and the New York State Department of Health.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. I am a member of the American Academy of Actuaries, and I meet the qualification standards for performing the analyses in this presentation.

Questions or Comments?

Highlights

- Two relevant regulatory changes:
 - Benefit mandates enacted by December 31, 2011 are included in EHB regardless of benchmark plan selected
 - Adult vision and dental cannot be included in EHB
- Benchmark plans are quite similar and remaining differences are muted by regulatory requirements (e.g., benefits not currently offered would be required per EHB)
- Benchmark plan that would continue consistent benefits with little additional cost is the small group plan

Next Steps

- Comments can be submitted to NYSOHEHB@health.ny.gov by COB on June 29, 2015
- New York will submit its benchmark plan selection to HHS on July 1, 2015
- HHS will issue a notice of proposed rulemaking in August 2015 and open a public comment period
 - EHB Benchmark Plans will be published in NPRM as proposed in Summer 2015
 - EHB Benchmark Plans will be published as final in Fall 2015