

Essential Health Benefits in the NY Health Benefit Exchange  
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In reviewing the material in the report prepared by Milliman, we would offer the following comments:

1. Although the consultants followed the HHS guideline to the letter, the analysis should have considered the upstate market separately. The Oxford plans, while largest in number overall, are not available essentially above Dutchess County. We would have preferred to see an Excellus, MVP or CDPHP plan represented in the small group category. Mandated benefits are the same in all contracts but, in many cases, the detail in a health insurance contract is driven by local medical practices and availability of providers. A downstate small group contract won't necessarily fairly represent the medical practice in upstate NY.
2. That issue aside, we would encourage the Exchange to select one of the small group plans as the benchmark plan. Small group plans developed through understanding the needs of small business while the others didn't. The NYSHIP plan is too rich and not the easiest plan to administer or understand. The FHBP plans as well are too rich and are tailored to a larger population. Also, as FEHBP has evolved, the carriers were incented to find ways to keep costs down to increase enrollment so is not always a customer friendly plan.
3. As far as mandates that are included, we feel the plan should be as bare bones as possible for cost purposes. The small group market is highly price sensitive. Adding in additional benefits, as well meaning as they may seem on the surface, will be counterproductive to the goal of increasing insurance coverage in the small group market
4. The EHB product in the Exchange should be written so that carriers will be able to replicate it outside the Exchange. Having a product only available inside the Exchange will lend itself to adverse selection in one of the pools which again works against the ultimate goal of the ACA
5. Benefit limitations in certain areas (day or visit limitations, not dollar) are effective controls on abuse and carrier discretion should be allowed. Going back to point #1, some of these limitations are region specific due to increases in specialized outpatient clinics.
6. We're not in agreement with the proposal on covering dental and vision services under medical plans. If employers feel the need to cover these services, there are more than adequate cost effective free standing products available in the market. Requiring coverage of pediatric dental and vision amounts to another unfunded mandate on employers and unfairly transfers a cost to those employees without child dependents
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