

What are the essential benefits for Vermont's Health Benefit Exchange?

Background: The federal Affordable Care Act (ACA) requires that all health insurance plans bought by small employers and individuals whose employer's don't offer insurance cover certain "essential health benefits" starting in 2014; states can define those benefits for themselves.

Current Status: Vermont is reviewing the available benchmark plan options (see below; page two for more detail) and seeking additional clarification from HHS.

Options (decisions required of The Green Mountain Care Board before September 2012):

1. **Select a Benchmark Plan.** The options are:
 - a. MVP's Small Group Preferred Exclusive Provider Plan;
 - b. Blue Cross Blue Shield of Vermont's Small Group BlueCare HMO; or
 - c. The State Employee Health Plan (administered by Cigna).
2. **Select a Pediatric Oral Plan** to supplement the benchmark plan. The options are:
 - a. The Federal Employees Dental and Vision Insurance Program (FEDVIP) dental plan with the largest national enrollment; or
 - b. Coverage that matches the State's Children's Health Insurance Program (CHIP) benefit.
3. **Select a Prescription Drug Plan** to supplement the benchmark plan if either the MVP or the BCBSVT plan is selected. The options are the prescription drug coverage offered by :
 - a. the State Employee Health Plan; or
 - b. the Federal Employee Health Benefits Plan

Plan Comparison: Bailit Health Purchasing (a health care consulting firm) provided a comparison of the benefits offered by the three plan options and found that they offer very similar benefits. In general, the State Employee Health Plan offers the richest coverage, MVP offers the least and BCBSVT is in between. Differences among the plans were primarily in the details and the restrictions – things that the plans will have the ability to adjust provided they maintain actuarial equivalence with the benchmark plan.

Difference in Cost: Wakely Actuarial Services, Inc. worked with the state to determine the impact of the benefit differences on cost of the MVP plan, the Blue Cross Plan, and the State employee. The rough, initial estimate of the differences in cost between the plan is that the Blue Cross Plan is about 1.4% of premiums more than the MVP plan, and the state employee plan is about 2.7% of premiums more than the MVP plan. The state will do more in depth study to determine the costs and premiums. If the cost is more, it means the coverage is better, so there is a trade-off between what is covered and how much the plan costs.

Questions and Answers regarding the Essential Health Benefits Package:

What is a benchmark plan? A benchmark plan is a health insurance plan that is currently offered in the state that is selected from a list of options identified by HHS. The benchmark plan will serve as the state's definition of "essential health benefits" and is meant to represent coverage in a typical employer plan.

Will all small group and individual plans have to offer benefits that are identical to the benchmark plan? The plans will have to be substantially equal to the benchmark plan, but insurers will have some flexibility to add or subtract benefits and make changes to the restrictions.

Does the Essential Health Benefits Package consider the cost-sharing structure of the benchmark plan? No, cost-sharing is not part of the essential health benefits decision. Cost-sharing requirements will determine the level (platinum, gold, silver and bronze) for the plans offered on the Exchange.

Are there any other requirements for the Essential Health Benefits package? Yes. The package must include services in 10 categories required by the ACA. If a benchmark plan is missing services in a category, the state can still pick that plan but will have to supplement any missing categories. The benefits package must also include mental health parity and cannot discriminate on the basis of age, disability or life expectancy.

Are the benchmark plan options in Vermont missing any of the 10 categories required by HHS? Yes, all of three of the benchmark plan options are missing pediatric oral care and habilitative services . If a child is born with a health condition, habilitative services are meant to help the child attain better functioning. For example, a child born with a speech problem, might get speech therapy to help correct it.

The state will be required to add pediatric oral care services to the EHB. HHS has created a special process for adding habilitative services that would not require any separate state action. If either the MVP or BCBSVT plans were chosen as the benchmark, the state would have to add prescription drug coverage to the package. MVP also does not provide pediatric vision services. There might be some other areas that require additions, depending upon the package chosen.

Can Vermont add State-mandated benefits to the State-selected EHB benchmark plan today without having to defray the costs of those mandated benefits? Yes, but according to HHS, any State-mandated benefits enacted after December 31, 2011 could not be part of EHB for 2014 or 2015. This means that the state would be required by HHS to pay for the portion of the premium for people buying insurance from a small employer or as an individual without an employer plan.