

Affordable Care Act Implementation Essential Health Benefits

Essential Health Benefits (EHBs) will be the basis for coverage offered in the ACA's Health Insurance Exchanges (including the small business "SHOP Exchange") and the surrounding small group insurance market¹. Whether or not coverage will be affordable in the future will largely depend on the content of required EHB coverage².

States are to select a "benchmark" plan from four options by September 2012:

- The largest (by enrollment) small group insurance plan offered in the state;
- Any of the largest three state employee health benefit plans;
- Any of the largest three national federal employee health benefit plan options
- Or, the largest insured commercial Health Maintenance Organization (HMO) offered in the state.

If a state fails to select a benchmark, the federal default is the largest small group insurance plan offered in the state.

1) EHBs covered in large employer plans cannot have annual or lifetime limits.

2) NRF chairs the Essential Health Benefits Coalition (www.ehbcoalition.org) a coalition of employers and allied interests.

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Department of Health and Human Services will evaluate state-selected benchmarks against the ACA's ten categories³ of required coverage before publishing enhanced benchmarks for comment.

A proposed regulation was issued in November 2012. Final regulatory guidance is expected in the first quarter of 2013

Outstanding questions include:

Whether all state mandated benefits in a selected benchmark plan will be considered “essential” and thus mandated.

Whether benefits not commonly included in employer-sponsored coverage (e.g. pediatric vision and dental, maintenance of habilitative function) will be mandated.

Whether EHB coverage will be affordable for employers, employees and individuals.

3) Ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment; prescription drugs; rehabilitation and habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; pediatric services, including oral and vision care.