

# 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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