April 22, 2013

10 Overview: Standard Related to Essential Health Benefits (EBH), Actuarial Value and Accreditation

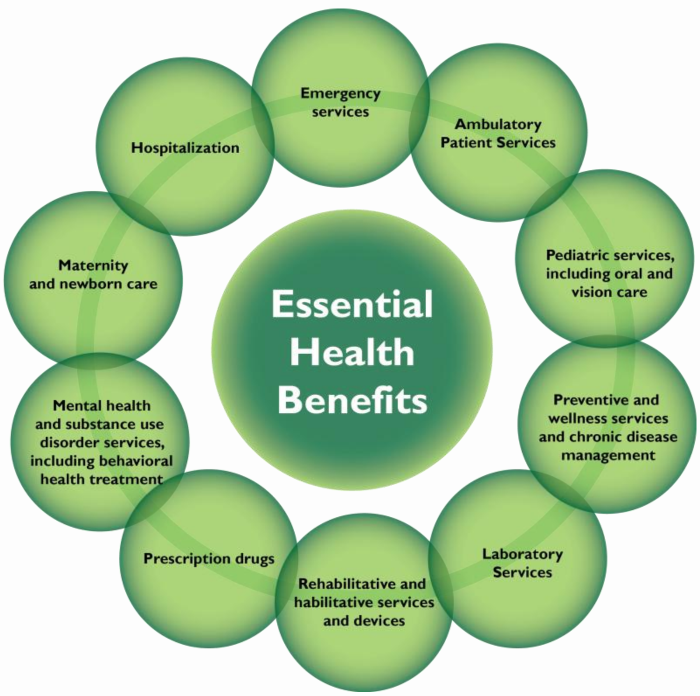
On February 25, 2013, the Department of Health and Human Services (HHS) released a final rule it provides that all plans subject to EHB offer benefits substantially equal to the benefits offered by the benchmark plan. This approach best strikes the balance between comprehensiveness, affordability, and state flexibility. It also gives issuers the flexibility to offer innovative benefit designs and a choice of health plans. This document provides important key points related to the final rule requirements.

Full text of the final rule visit: http://www.gpo.gov/fdsys/pkg/FR-2013-02-25/pdf/2013-04084.pdf

Effective Date

Beginning in January 2014, the Affordable Care Act requires non-grandfathered health plans to cover EHB. **This will apply to all health insurance in the individual and small group market**, both inside and outside Exchanges, Medicaid benchmark and benchmark equivalent plans, and Basic Health Programs.

Essential Health Benefits (EHB) Categories



- Each state o territory has selected a base-benchmark plan as the reference for defining EHB in their jurisdiction**.**
- **MCS has products in the individual and small groups market that comply and exceed the EHB benchmarks. By 2014 all non-grandfathered products will comply with the EHB benchmarks.**
- If the benchmark plan is missing coverage in one or more of the ten categories it would be supplemented by looking first to the second largest small group market benchmark plan, then to the third. If neither of those alternatives offers benefits in a missing category, to the FEHBP benchmark plan with the highest enrollment.

MCS health policy program

MCS Plan

1. MCS is redesigning their products according to the EHB regulations for 2014.
2. MCS is currently working with new alternatives that exceed the EHB defined by ACA.

References

Center for Consumer Information and Insurance Oversight (CCIIO) 2013. http://cciio.cms.gov