

Addendum

The Affordable Care Act requires non-grandfathered health plans in the individual and small group markets to cover essential health benefits (EHB), which include items and services in ten benefit categories. HHS regulations (45 CFR 156.100) define EHB based on state-specific EHB benchmark plans, which apply to individual and small group ACA compliant plans. For plan year 2020 and after, the Final 2019 HHS Notice of Benefits and Payment Parameters provides states with greater flexibility by establishing standards for States to update their EHB benchmark plans. CMS is providing States three new options for selection starting in plan year 2020, including:

- Option 1: Selecting the EHB-benchmark plan that another State used for the 2017 plan year.
- Option 2: Replacing one or more categories of EHBs under its EHB-benchmark plan used for the 2017 plan year with the same category or categories of EHB from the EHB-benchmark plan that another State used for the 2017 plan year.
- Option 3: Otherwise selecting a set of benefits that would become the State's EHB-benchmark plan.

The Illinois Department of Insurance (DOI) is utilizing the greater flexibility granted by CMS to update their EHB benchmark plans to help address the opioid crisis and improve access to mental health and substance abuse resources for plan year 2020.

Under Option 3, the State is allowed to develop its benchmark plan by selecting a set of benefits rather than an existing plan offered in the market. Therefore, in the process of developing the 2020 EHB benchmark plan, the Illinois DOI started with the 2019 EHB benchmark as the basis and added five new benefits.

As required per federal regulation, the Illinois DOI submitted an actuarial report and certification that demonstrates the proposed 2020 EHB benchmark plan meets the following two actuarial requirements:

1. The EHB benchmark plan must be equal to, or greater than the scope of benefits provided under a typical employer plan; and
2. The EHB benchmark plan does not exceed the generosity of the most generous among the plans listed at Section 156.111(b)(2)(ii).

The first requirement states the EHB benchmark plan must be equal to or greater than the scope of benefits provided under a typical employer plan. The starting point for the proposed benchmark is the current 2019 benchmark, which is one of the most popular small group plans offered in Illinois. Further, since it is the current 2019 benchmark plan, it already meets the criteria of being equal to or greater than a typical employer plan. The DOI has elected to add five benefits or criteria to the 2019 benchmark plan. Since the DOI is enhancing the plans, the proposed benchmark continues to meet the criteria of the first requirement.

The second requirement states the EHB benchmark plan does not exceed the generosity of the most generous among the plans listed at Section 156.111(b)(2)(ii). To demonstrate compliance with this requirement, we performed a cost study on each of the recommendations to determine the materiality of each and the impact it would have on the overall premiums of the benchmark plan. For more information, please see the detailed actuarial report from Oliver Wyman.

The State of Illinois has not included any additional EHB benefits pursuant to 45 CFR 155.170. Nothing in this 2020 Benchmark plan should be construed as additional EHB requirements under Federal Law.