

June 5, 2019

Centers for Consumer Information & Insurance Oversight
Marketplace Plan Management Group
Division of Issuer and Plan Policy

Re: Submission for Consideration: South Dakota's Essential Health Benefits (EHB) Benchmark Plan for Plan Year 2021

Attn: EHB Benchmark Review Team

Please accept the following documents reflecting South Dakota's request for change in the State's EHB benchmark plan for plan year 2021. Included in the submission are:

- 1) South Dakota Benchmark Plan Summary
- 2) Appendix A – State EHB Confirmation
- 3) Appendix B – EHB Plan Certification
- 4) Appendix C – Summary of Benefits
- 5) Appendix D – Plan Rx Listing
- 6) Actuarial Report

South Dakota's current EHB Benchmark, the largest small-group plan (Blue Select PPO Primary) has been in place since 2014. The additional flexibility granted in the 2019 Notice of Benefit and Payment Parameters (NBPP) has allowed South Dakota an opportunity to review other possible options to ensure a strong benefit design for consumers and increased stability in the comprehensive healthcare insurance market.

As outlined in the 2019 NBPP, a state choosing to update their benchmark for plan year 2020 and beyond has three options for benchmark selection; they are:

- **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.

In addition, parameters were included in the change of selection process, which are:

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).

South Dakota has chosen to use Option 3 in its approach to a new EHB benchmark designation. South Dakota's 2017-2020 benchmark plan (Blue Select PPO Primary) serves as the base for the South Dakota EHB benchmark plan for PY2021.

This coverage would be subject to the following limits:

- Through age 6: 1,300 hours per year
- Age 7-13: 900 hours per year
- Age 14-18: 450 hours per year

The actuarial study by Leif Associates, Inc. accompanying this submission details the plan analysis completed and certifies the proposed changes fall within the established generosity test parameters.

South Dakota held a public comment period from April 29, 2019 through May 15, 2019. Twenty-four comments were received, reviewed, and considered as we worked through this process. South Dakota respectfully asks for your favorable consideration to update the State's benchmark plan for PY2021. If any additional information or clarification is required, please let us know.

Sincerely,

A handwritten signature in black ink, appearing to read 'Larry Deiter', is positioned above the typed name.

Larry Deiter, Director
SD Division of Insurance