


Essential Health Benefits: Benchmark Plan Submission Process, Templates and Key Policy Changes

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**Center for Consumer Information and
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Agenda

- Session Guidelines
- Key Dates
- Overview of the Essential Health Benefits (EHB) Plan Management (PM) Community
- Essential Health Benefits: Submission Process, Templates and Key Policy Changes
- Question & Answer (Q&A) Session
- Closing Remarks

Intended Audience

- Please be advised that the intended audience for this webinar is state regulators in Federally-facilitated Exchange (FFE) states performing plan management activities. This is not an open press call.
- Members of the press or a media outlet should disconnect the call at this time and contact the Centers for Medicare & Medicaid Services (CMS) Press Office for further information.

Session Guidelines

- This is a 45-minute webinar session.
- Throughout the webinar, you may submit questions via the Q&A Panel.
- We will address questions during the Q&A session at the end of the presentation.
- For questions regarding content or logistics, contact the Registration for Technical Assistance Portal (REGTAP) Registrar at registrar@regtap.info or (800) 257-9520.

Upcoming Key Dates for 2020 QHP Certification

Date	Category	Activity
Prior to February 16, 2020	Plan Data Refresh	Small Business Health Options Program (SHOP) quarterly rate changes that are approved and submitted by 1/29 are refreshed on HealthCare.gov
Prior to February 16, 2020	Plan Data Refresh	Plan Year (PY) 20 QHP Application data changes that are approved and submitted by 1/29 are refreshed on HealthCare.gov

Announcements



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Overview of the Essential Health Benefits (EHB) Plan Management (PM) Community

EHB PM Community

- EHB Tabs
- EHB Functions
 - Organizations
 - EHB Cases
 - **All States, including States not making benchmark or substitution changes, should use the Case function to ask CMS EHB-related questions.**
 - EHB Substitution
 - Submit EHB Templates
 - **States not making changes to their EHB-benchmark plan do not need to take any action.**

PM Community EHB Demo

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State Options for Changing an EHB-Benchmark Plan

EHB-Benchmark Plan Policy:

State options for changing an EHB-benchmark plan

Starting with the 2020 plan year, States have more flexibility to select an EHB-benchmark plan using the following new options:

Option 1 (45 CFR §156.111(a)(1)): Selecting the EHB-benchmark plan that another State used for the 2017 plan year under §156.100 and §156.110.

Option 2 (§156.111(a)(2)): Replacing one or more categories of EHB under §156.110(a) 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 under §156.100 and §156.110.

Option 3 (§156.111(a)(3)): Otherwise selecting a set of benefits that would become the State's EHB-benchmark plan, provided certain conditions, including scope of benefits requirements, are met.

Alternatively, States have the flexibility to forgo these options, and may instead retain their current EHB-benchmark plans.

EHB-Benchmark Plan Policy: Requirements for a State that changes an EHB-benchmark plan

To select an EHB-benchmark plan, the State is required to:

1. Provide reasonable public notice and an opportunity for public comment on the State's selection of an EHB-benchmark plan (that includes posting a notice on its opportunity for public comment with associated information on a relevant State website).
2. Notify the Department of Health and Human Services (HHS) of the selection of a new EHB-benchmark plan by a date to be determined by HHS for each applicable plan year.
 - If the State does not make a selection by the annual selection date, or its benchmark plan selection does not meet the regulatory requirements and section 1302 of the Patient Protection and Affordable Care Act (PPACA), the State's EHB-benchmark plan for the applicable plan year would be that State's EHB-benchmark plan applicable for the prior year.
3. Submit documents in a format and manner specified by HHS by a date determined by HHS.

EHB-Benchmark Plan Policy: Requirements for a State that changes an EHB-benchmark plan (continued)

4. An actuarial certification and an associated actuarial report from an actuary, who is a member of the American Academy of Actuaries, in accordance with generally accepted actuarial principles and methodologies that affirms:

1. That the State's EHB-benchmark plan provides a scope of benefits that is equal to, or greater than, the extent of any supplementation is required to provide coverage within each EHB category at §156.110(a), the scope of benefits provided under a typical employer plan; and
2. That the new EHB-benchmark plan does not exceed the generosity of the most generous among the following list of plans:
 - The State's EHB-benchmark plan used for the 2017 plan year; and
 - Any of the State's base-benchmark plan options used for 2017 plan year described in §156.100(a)(1), supplemented as necessary under §156.110.

To assist actuaries in these determinations, we released *Example of an Acceptable Methodology for Comparing Benefits of a State's EHB-Benchmark Plan Selection in Accordance with 45 CFR 156.111(b)(2)(i) and (ii)*.

EHB-Benchmark Plan Policy: Requirements for a State's EHB-benchmark plan

A State's EHB-benchmark plan is required to:

- Provide coverage of items and services for at least the 10 EHB categories of benefits.
- Not exceed the generosity of the most generous among a set of comparison plans by a 0.0 percentage point actuarial increase, i.e. no change in in the actuarial value.
- Not have benefits unduly weighted towards any of the categories of benefits.
- Provide benefits for diverse segments of the population, including women, children, persons with disabilities, and other groups.
- Not include discriminatory benefit designs.
- Provide a scope of benefits equal to, or greater than, to the extent any supplementation is required to provide coverage within each EHB category at §156.110(a), the scope of benefits provided under a typical employer plan.

EHB-Benchmark Plan Policy: Requirements for a State's EHB-benchmark plan (continued)

Typical employer plan at §156.111(b)(2) is defined as:

- One of the selecting State's 10 base-benchmark plan options established at §156.100, and available for the selecting State's selection for the 2017 plan year; or
- The largest health insurance plan by enrollment within one of the five largest large-group health insurance products by enrollment in the State, as product and plan are defined at §144.103 provided that:
 1. The product has at least 10 percent of the total enrollment of the five (5) largest large group health insurance products in the State;
 2. The plan provides minimum value;
 3. The benefits are not excepted benefits, as established under §146.145(b) and §148.220; and
 4. The benefits in the plan are from a plan year beginning after December 31, 2013.

EHB-Benchmark Plan Policy: Requirements for a State's EHB-benchmark plan (continued)

- The generosity of the state's EHB-benchmark plan may not exceed a 0.0 percentage point actuarial increase above the most generous among the set of comparison plans listed at §156.111(b)(2)(ii).
 - **§156.111(b)(2)(ii)(A)** The State's EHB-benchmark plan used for the 2017 plan year; and
 - **§156.111(b)(2)(ii)(B)** Any of the State's base-benchmark plan options for the 2017 plan year described in §156.100(a)(1), supplemented as necessary under §156.110.
- This requirement limits the range of benefits that can be considered EHB under these EHB-benchmark plan selection options.

EHB-Benchmark Plan Policy: Requirements for a State's EHB-benchmark plan (continued)

Summary of key points from the example Methodology document:

- Step 1: Select a “Typical Employer Plan” or a “Comparison Plan.”
- Step 2: Calculate the expected value of covering all of the benefits at 100 percent actuarial value in each EHB category in the proposed EHB-benchmark plan and in the “Typical Employer Plan” or “Comparison Plan.”
- Step 3: Compare the expected value of covering all of the benefits (at 100 percent actuarial value) in each EHB category of the “Typical Employer Plan” or the “Comparison Plan” to that of the corresponding EHB category of the proposed State's EHB-benchmark plan.

EHB-Benchmark Plan Policy: Requirements for a State that changes an EHB-benchmark plan

Overview of State Documentation Requirements for EHB-benchmark Plans

State Documentation Requirements	Option 1: Select another State's EHB-benchmark plan [in accordance with §156.111(a)(1)]	Option 2: Replace category or categories of benefits from another State's EHB-benchmark plan [in accordance with §156.111(a)(2)]	Option 3: Otherwise select a set of benefits for the State's EHB-benchmark plan [in accordance with §156.111(a)(3)]
	Required?	Required?	Required?
Confirmations: Complies with §156.111(a), (b), and (c)	Yes	Yes	Yes
Actuarial certification and report:	Yes	Yes	Yes
1) Equal to, or greater than (to the extent any supplementation is required), the scope of benefits provided under a typical employer plan 2) Generosity of the state's updated EHB-benchmark plan does not exceed a 0.0 percentage point actuarial increase above the most generous among the set of comparison plans listed at §156.111(b)(2)(ii)	Yes	Yes	Yes
State's EHB-benchmark plan document:	Yes	Yes	Yes
1) Describes benefits and limits in accordance with §156.111(e)(3) 2) Provides formulary drug list for the State's EHB-benchmark Plan	No	No	Yes
EHB Summary Chart: Provides a summary of the State's EHB-benchmark plan	Yes	Yes	Yes

EHB-Benchmark Plan Policy: Requirements for a State that changes an EHB-benchmark plan (continued)

State Documentation Requirements	Does this document require use of a specific template?
	Required?
Confirmations: Complies with §156.111(a), (b), and (c)	Yes
Actuarial certification and report: 1) Equal in scope of benefits provided under a typical employer plan	For the certification, yes; For the report, no
2) The generosity of the state's updated EHB-benchmark plan may not exceed a 0.0 percentage point actuarial increase above the most generous among the set of comparison plans listed at § 156.111(b)(2)(ii)	For the certification, yes; For the report, no
State's EHB-benchmark plan document: 1) Describes benefits and limits in accordance with §156.111(e)(3)	No
2) Provides formulary drug list for the State's EHB-benchmark Plan	Yes
EHB Summary Chart: Provides a summary of the State's EHB-benchmark plan	Yes

Templates Demo

Best Practices

State Best Practices for EHB Benchmark Plan Selection Process

Overview

CMS has identified best practices for State Departments of Insurance (DOIs) to follow in the EHB-benchmark submission process to provide transparency to the public, advocates, and stakeholders.

State Best Practices for EHB Benchmark Plan Selection Process (continued)

Detailed recommendations on best practices for selecting a new EHB-benchmark plan:

Option 1: Selecting the EHB-benchmark plan that another State used for the 2017 plan year.

Best practice:

- State which of the three (3) options the State is selecting.

State Best Practices for EHB Benchmark Plan Selection Process (continued)

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.

Best practice

- Indicate which category/categories are being replaced or which categories from another state will be used.

State Best Practices for EHB Benchmark Plan Selection Process (continued)

Option 3: Otherwise selecting a set of benefits that would become the State's EHB-benchmark plan.

Best practice

- Provide a detailed description of the set of benefits that will become the State's EHB-benchmark plan.

State Best Practices for EHB Benchmark Plan Selection Process (continued)

- Post and clearly indicate if the State is opting to permit issuers to substitute benefits between benefit categories and indicate which benefits are being substituted.

State Best Practices for EHB Benchmark Plan Selection Process (continued)

- Post information on which of the three options the State selected:
 - Post all documents that will be submitted to CMS and made available on the CMS Essential Health Benefits Page.
 - Documents include:
 - EHB BMP Formulary Drug List; this includes a list of drugs by name that will be removed or added to the drug formulary list
 - Actuarial Report
 - Summary of Benefits Template
 - Confirmation on the State's EHB-benchmark Plan
 - State EHB-benchmark Plan Actuarial Certification
 - Any supporting/supplemental documents that will be submitted to CMS, such as plan documents

State Best Practices for EHB Benchmark Plan Selection Process (continued)

Best Practices applicable to any of the three (3) options:

- Provide commenters with ample public notice and a reasonable comment period.
 - This means a reasonable amount of time to review and analyze the documents prior to the CMS EHB submission deadline.
 - States need to allow for changes to their approach based on the public comments received.

State Best Practices for EHB Benchmark Plan Selection Process (continued)

Best practices for the actuarial report:

- When states provide the actuarial report, they must be sure to provide sufficient information on the assumptions and conclusions of their findings.
 - States must be able to adequately demonstrate how they reached their conclusions by showing their work on calculations and providing data sources.

State Best Practices for EHB Benchmark Plan Selection Process (continued)

Detailed recommendations on best practices for submitting documents through PM Community:

- Verify that the right EHB Point of Contacts (POCs) have access to the PM Community in advance of the EHB submission deadline.
 - Granting access to the PM Community on the deadline date may not result in a timely submission.
- When uploading documents, please submit all the required and supplemental documents at one time.

Additional EHB Policy

EHB-Benchmark Plan Policy: Additional EHB Policy

- Substitution: An issuer of a plan offering EHB may substitute benefits for those provided in the EHB-benchmark plan under the following conditions:
 - The issuer substitutes a benefit that:
 - Is actuarially equivalent to the benefit that is being replaced; and
 - Is not a prescription drug benefit.
 - And, submits evidence of actuarial equivalence that is:
 - Certified by a member of the American Academy of Actuaries;
 - Based on an analysis performed in accordance with generally accepted actuarial principles and methodologies;
 - Based on a standardized plan population; and
 - Determined without taking cost-sharing into account.

EHB-Benchmark Plan Policy: Additional EHB Policy (continued)

To apply substitution:

- An issuer may substitute a benefit within the same essential health benefit category, unless prohibited by applicable State requirements.
- For plan years beginning on or after Jan. 1, 2020, an issuer may substitute between EHB categories *only* when the State in which the plan will be offered notifies HHS that substitution between EHB categories is permitted in the State. The plan that includes substituted benefits must:
 - Provide benefits that are substantially equal to the EHB-benchmark plan.
 - Provide an appropriate balance among the EHB categories such that benefits are not unduly weighted toward any category.
 - Provide benefits for diverse segments of the population.

2022 Timeline

2022 Timeline	Date
States' deadline for 2022 EHB-Benchmark Plan selection required document submission.	May 8, 2020
HHS publishes final 2022 EHB-benchmark plan documents on CCIO's website.	To be determined

- HHS will update the Plans and Benefits Template Add-in file used for 2022 QHP certification.
- Any questions or issues that a State has about the EHB-benchmark plan documents need to be asked and resolved prior to the State's submission deadline.

State Consideration of the EHB- Benchmark Plan Selection

- HHS recognizes most States as the primary enforcers of EHB policy. Thus, when a State selects a benchmark plan from another State, we would defer to the selecting State's interpretation of the benefits and limits, even when such interpretation differs from the originating State's interpretation.
- In selecting a new EHB-benchmark plan, States may want to consider a variety of factors, including:
 - Impact on premium tax credits and subsidies;
 - Spillover effect to other benefits in making benefit changes; and
 - Need for consumer education on benefit changes.

Next Steps

- States selecting an EHB-benchmark plan for PY 2022 must submit required documentation to CMS by the deadline (May 8, 2020).
- CMS will review state EHB-benchmark plan documentation.
- State will receive an email notification when EHB-benchmark plan is approved.
- CMS will post all PY 2022 EHB-benchmark related example documents publicly on the [CMS website](#).
- CMS will also post a list of states that allow substitution between EHB categories, if CMS is notified.

Live Q&A



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Questions

Please help us provide an accurate response by identifying your State when asking a question.

To submit or withdraw questions by phone:

- To submit a question, dial 1-866-487-7844 and enter your six-digit PIN then dial 'star(*) pound(#)' on your phone's keypad.
- To withdraw a question, dial 'star(*) pound(#)' on your phone's keypad.

To submit questions by webinar:

- Type your question in the text box under the 'Q&A' tab and click 'Send.'

If you are not able to ask your question during today's session, or if your question is best answered by subject matter experts (SMEs) outside Plan Management (PM), you may submit it via CMS_FEPS@cms.hhs.gov with the subject line "State Question."

State Regulators Webinar Session Survey

- CMS welcomes your feedback regarding this webinar series and values any suggestions that will allow us to enhance this experience for you.
- Shortly after this call, we will send a link to you for a convenient way to submit any ideas or suggestions you wish to provide that you believe would be valuable during these sessions.
- Please take time to complete the survey and provide CMS with any feedback.



Closing Remarks